

# Herald INTERNATIONAL Tribune

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## China to Shut Hong Kong Legislature On Day One

*Compiled by Our Staff From Dispatches*

**HONG KONG** — China said Monday that it would abolish Hong Kong's legislative assembly on July 1, 1997, the day it resumes sovereignty over the British colony.

A Chinese government spokesman said the Legislative Council and other local government bodies would be disbanded and then "reorganized" under Chinese rule.

"This is an inevitable outcome of China's recovery of its sovereignty over Hong Kong and of Britain's termination of its rule over Hong Kong," said the spokesman for the Hong Kong and Macau Affairs office.

The threat widened a previous pledge to unseat elected members of the Legislative Council after the transition. It was the latest in a series of attacks on the colony's British administration and Governor Chris Patten, whose efforts to broaden democracy in Hong Kong before the handover are seen by Beijing as a threat to its eventual rule.

The statement, issued by the official Xinhua press agency, was a further blow to Hong Kong that elected officials would be able to keep their seats through the transition.

A Hong Kong government spokesman said the government would have to study the Beijing statement.

"One thing that is certain is that both the British and the Chinese governments have pledged to maintain the stability and prosperity of Hong Kong," the spokesman said.

"The approach outlined in the statement does not seem to be consistent with this important pledge," he said.

Mr. Patten has been the subject of a prolonged attack by Beijing since he announced a political reform package for Hong Kong 15 months ago.

China has accused him of breaching the spirit of the Joint Declaration, a 1984 treaty governing the transition of Hong Kong to Chinese rule and the Basic Law, a constitution for Hong Kong after the handover, as well as other bilateral accords on Hong Kong.

After the breakdown of Chinese-British talks on Hong Kong earlier this month after 17 rounds, Mr. Patten introduced to the Legislative Council a watered-down version of his package to widen democracy ahead of district elections in 1994 and Legislative Council elections the next year.

His unilateral move was condemned as "sabotage" by Beijing. China wanted then that the Legislative Council could be abolished because

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**LOOKING FOR RELIEF** — A Tokyo broker peering through binoculars at a quotation board. Most stock exchanges in Asia rose again Monday, and several set records, but the Japanese market showed no signs of breaking out of its four-year decline. Page 9.

## A Japan Label Grows Scarce As Electronics Exports Slide

*By Andrew Pollack  
New York Times Service*

**TOKYO** — Japan's production and exports of consumer electronic products are shrinking rapidly, the Electronics Industry Association of Japan says.

New figures show the nation is having difficulty retaining its manufacturing base for the consumer electronics products for which its industry is famous.

Even if giants like Sony and Panasonic continue to lead the world in such products, the "Made in Japan" label is becoming harder to find as manufacturing shifts to countries with lower wages.

Production in Japan of audio and video equipment fell 12.7 percent in 1993, the association estimated. It was the second consecutive double-digit annual decline.

The 1993 output of 3.28 trillion yen (\$29.64 billion) is the lowest since the early 1980s and only two-thirds the level of 1991. And consumer electronics exports, which fell 23.5 percent in the first nine months of the year, are less than half of what they were at their peak in 1985.

In its annual report on the state of Japan's electronics industry, the trade association painted a dismal picture of com-

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## Ford Throws A Lifeline To Troubled Mazda Motor

*By James Sterngold  
New York Times Service*

**TOKYO** — With its losses mounting and its basic strategy gone awry, Mazda Motor Corp. made on Monday what would have been an unthinkable announcement for a major Japanese automaker just a few years ago: It said that it was ceding more control to its largest shareholder, the Ford Motor Co., and that it expected to rely on Ford to help shape its future.

Ford has owned nearly 25 percent of Mazda for 14 years, and the two have several ventures focusing on production of specific models, like the Ford Probe and Mazda pickup trucks. But Monday's announcement appears to go far beyond the old arrangements.

The statement was at pains to quash speculation that a merger or major new investment by Ford in Mazda was in the cards. But, automotive analyst said, it hinted that Mazda was seeking a lifeline rather than an equal partner.

Mazda, which expects to suffer a loss of about 32 billion yen (\$289 million) in the business year ending March 31, said that Ford would increase the number of representatives on its board from four to seven members. Four of the seven members will be based in Japan and will help manage Mazda, a company that was expanding at a headlong pace in the late 1980s while Ford was reeling up billions of dollars in losses.

One of the new Ford representatives, none of whom have yet been named, will become one of Mazda's three executive vice presidents. That person will be one of the handful of principal executives running the Japanese automaker and perhaps the most senior foreign executive at a major Japanese industrial company.

Although some in Tokyo interpreted the move as "a desperate bid for survival," as one television news program put it, analysts said it fell short of the large cash infusion that some had speculated Ford might make to shore up Mazda.

Mazda distinguished itself as the pioneer of an unusual rotary engine, but the autos that used the engine never gained broad acceptance and nearly bankrupted the company a decade ago. Today, the only export model that uses the so-called Wankel engine is the powerful RX-7.

Mazda has launched several sporty and streamlined models in recent years, including the once-popular Miata, but demand has weakened around the globe, leaving Mazda burdened with heavy expenses and overcapacity.

"Mazda's strategy has been mistaken recently, and this is a response to that," said Andrew Blair-Smith, the auto analyst in Tokyo for Barclays de Zoete Wedd Securities. "They overinvested in new models when the market was getting weak. Mazda's stock rallied today, but I think the market is still looking for a monetary commitment from Ford."

Mazda's stock rose 14 yen a share, to 398 yen.

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## Kantor Requests Talks on Chips

*Washington Post Service*

**WASHINGTON** — Mickey Kantor, the U.S. special trade representative, called for emergency talks with Japan after a report Monday showed a sharp drop in its purchases of foreign semiconductors.

Mr. Kantor said the report that foreign producers had only an 18.1 percent share of Japan's market in the third quarter had raised "serious concerns" about the U.S.-Japanese semiconductor accord.

The accord called for Japan to buy 20 percent of its semiconductors from foreign companies in 1993. Mr. Kantor spoke after news that the figure for the third quarter had fallen to 18.1 percent, from 19.6 percent in the first quarter and 19.2 percent in the second period.

## Bosnia's Collapse Is Jolt to Dream of a Multiethnic Europe

*By David B. Ottaway  
Washington Post Service*

**VIENNA** — Across Europe and in the United States, scholars and analysts of the unsettled Balkans are watching anxiously these days for signs of a ripple effect from the pending dismemberment of Bosnia-Herzegovina into separate ministates ruled by Serbs, Muslims and Croats.

The consequences of European and American dithering about what action to take in Bosnia have touched off a crisis of self-confidence about the ability of European and transatlantic institutions to cope with the post-Cold War world.

No real consensus has emerged on the likely results of the West's acceptance of European border changes by force.

Still, after the refusal of the European Community and the United States to intervene militarily to preserve Bosnia, a kind of domino theory is developing that argues that the cost is bound to be more Bosnians down the road.

"The whole concept of a multiethnic Europe has been undermined," said Greece's deputy foreign minister, George Papandreu, during a recent Washington visit. "We're tearing apart what we've built over the last 50 years in Europe."

There is also a growing concern among Central European nations that the West's inaction will encourage a heavily armed, belligerent Serbia, unfettered by any arms-control agreements, to try to push around its neighbors.

The example of a Greater Serbia enlarged by military conquests could inspire other ultranationalist movements. A vocal nationalist movement in Hungary, for example, would like to see former Hungarian lands and ethnic minorities in Slovakia and Romania reincorporated into a Greater Hungary.

Even independent Serbian analysts, like Milos Vasic, a columnist for the opposition Belgrade weekly Vreme, warn that the Balkans

See RIPPLE, Page 2

## U.S. Companies Bypassing Laws on Cuba and Libya

*By Dean Baquet  
New York Times Service*

**NEW YORK** — Seizing on porous laws and lax enforcement, American corporations have used foreign subsidiaries to conduct business openly with Cuba and Libya, according to documents and interviews.

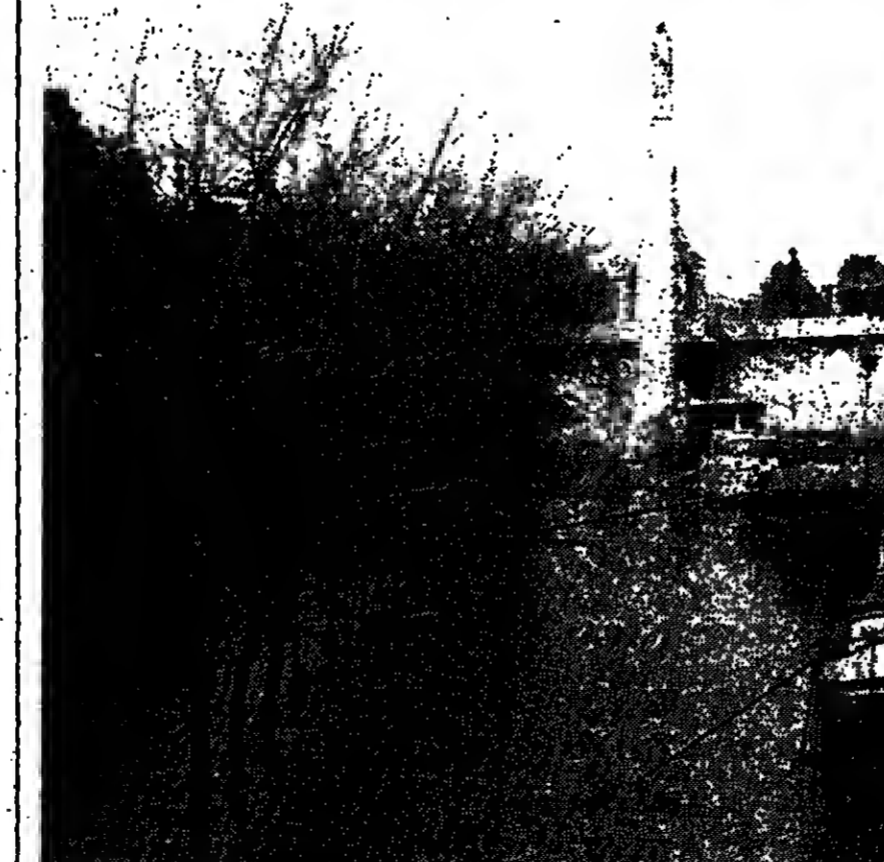
The rules governing U.S. economic sanctions are so loosely drafted that law enforcement officials have had to abandon or back away from several investigations of American companies suspected of doing illegal business abroad, an examination of some cases shows.

The most striking one involves Cargill Inc., one of the world's largest agricultural companies.

Three years ago, a team of government agents opened an investigation into charges that Cargill had brokered ships loaded with sugar for the Cuban government, apparently in violation of the so-called Trading With the Enemies Act.

In the ensuing months, investigators found hundreds of messages between Cargill and shippers overseas, evidence that the company's headquarters in Minneapolis, Minnesota, had been involved.

Last year, senior Justice Department officials said in internal memorandums that an indict-



**FLOODING PLAGUES A PARIS ARTERY** — Barges on the Seine in Paris, tied up to a quay that was under water Sunday as the river kept rising after heavy rains. Tourist boats stopped services and sections of expressway were closed. In eastern France, southeastern Netherlands and low-lying parts of Germany and Belgium, evacuees returned home to clean up from floods. Page 2.

## Kiosk

**Oslo Protests to Israel After Peacekeeper Dies**

**OSLO (AP)** — Norway protested to the Israeli government after a Norwegian peacekeeper was killed and another wounded on Monday while patrolling for the United Nations in southern Lebanon.

A Norwegian military spokesman said Private Gorm Bjornar Hagen, 21, was killed and Lieutenant Oyvind Berg, 36, was wounded when Israeli soldiers fired tank and mortar rounds into the area where the five-member Norwegian team was on patrol.

The Israeli Army said Israeli soldiers sighted suspicious figures and fired at them, believing they were Arab guerrillas.

A Norwegian Foreign Ministry spokesman said that the complaint was delivered by telephone and that the Norwegian Embassy in Israel was instructed to follow up with a formal protest.

**General News**

A former German neo-Nazi says that the far right has global links. Page 6.

Middle-class American whites emulate Indian ways in a spiritual quest that some Indians criticize as spiritual robbery. Page 3.

**Business/Finance**

Viscom has access to capital if it decides to raise its Paramount bid. Page 9.

Spain expects its interest rates to fall in 1994 as part of a European decline. Page 11.

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Dow Jones	Up 35.21	Trib Index	Down 0.01%
	3,792.99		111.10
The Dollar			
DM	1.701	1.6952	
Pound	1.5045	1.5034	
Yen	111.45	110.85	
FF	5.7855	5.789	

Newsstand Prices	
Andorra... 9.00 FF	Luxembourg 60 L. Fr
Antilles... 11.20 FF	Morocco... 12 Dh
Caribbean 700 CFA	Qatar... 8.00 Rials
Egypt... E.P. 5000	Rubicon... 11.20 FF
France... 9.00 FF	Saudi Arabia... 3.00 R.
Gabon... 480 CFA	Senegal... 450 CFA
Greece... 280 Dr.	Spain... 200 PTAS
Ivory Coast 500 CFA	Tunisia... 1,000 Din
Jordan... 1 JD	Turkey... T.L. 10,000
Lebanon... US\$ 1.50	U.A.E... 8.50 Dirh
	U.S. AIR (Eur.) \$1.18

## Panda's Future: More Black Than White

*By Lena H. Sun  
Washington Post Service*

**CHENGDU, China** — In the center of her concrete cage, Qing Qing cradles her tiny panda cub, which is squeaking hungrily. With a gentle nudge from the mother's huge paw, the cub, about the size of a cat, finds a nipple and suckles noisily, then drifts off to sleep.

With luck, this cub may survive, but the outlook for the giant panda, which is native to China, is gloomy. Greed, indifference, bureaucracy, poaching and skyrocketing population growth that harms its habitat all threaten the survival of the animal that has come to symbolize international conservation, Chinese and Western experts say.

"We can't guarantee that the species will not become extinct," said Fan Zhizhong, senior officer at the Giant Panda Protection Office in Beijing.

According to official figures, there are only about 1,000 pandas left in the mountains of Sichuan, Shaanxi and Gansu provinces. About 100 others are in captivity, most of them in Chinese zoos.

Pandas have thrived in China for 3 million years. But in the last four decades, as the country's population has more than doubled, to nearly 1.2 billion, their habitat has been destroyed by peasants and loggers, who cut down forests of bamboo, which is the panda's main food, or log other trees, leaving the bamboo, which needs shade and moisture to grow, exposed to the sun.

Pandas have also become a lucrative commodity, with their pelts fetching as much as

See PANDA, Page 6

## Slovakia Bans Radio Free Europe

*Agence France-Press*

**BRATISLAVA, Slovakia** — The government has banned broadcasts of the American radio station Radio Free Europe as of Jan. 31, the press agency TASR said Monday.

In a statement cited by the official press agency, the Transport, Telecommunications and Public Works Ministry said the broadcasts violated Slovak law.

Radio Free Europe signed a six-year contract with Czechoslovakia in 1990 and has three transmitters in Slovakia. The Czech Republic and Slovakia split into two countries Jan. 1, and the Slovakian ministry said the contract had been signed with a government that no longer existed.

An editor at Radio Free Europe in Bratislava said Monday that no other country had tried to ban the station's broadcasts since the Communist regimes in Eastern Europe fell.

Robert Gillette, director of Radio Free Europe, said that a letter from the Slovak government's telecommunications agency had given no reason for the decision.



WORLD BRIEFS

Sanction-Weary Serbs Mob Bulgarian Shops

By John Kifer  
New York Times Service

SLIVNITSA, Bulgaria — Almost all the cars parked around the rundown central square here, dominated by a statue of a soldier budded in a greatcoat from some past Balkan war, carry the white license plates of the former Yugoslavia.

The attraction is just around the corner: a makeshift market of a few stalls, folding tables and car trunks that presents a dizzying spectacle to Serbs hard-hit by international sanctions. There are shoes from Greece, oranges, bananas, fresh eggs, coffee, even glistening unmelting and toys for the Serbian Orthodox Christmas early next month.

"Back home the shops are empty," said Dobrica Petkovic, laid off from a once-busy factory that produced tractors for export, as he loaded a few bags of detergent, cooking oil and shampoo into the trunk of his car. "You should see Sofia, its like Frankfurt now."

There is little doubt that the people of Yugoslavia resent the embargo, which was imposed for their country's role in backing nationalist Serbs in the war in Bosnia. That Serbs should have to come to shop for such dubious delights as chocolate bars made in Egypt in this miserable little town about 24 kilometers (15 miles) over the border — its forlorn gray buildings crumbling, its roads rutted and in many cases

unpaved — is a kind of double insult. The former Yugoslavia, with its independent political and economic course, was once one of the most advanced states in Eastern Europe. Bulgaria was the most orthodox of Communist countries and one of the poorest, with a handful of terrorists possibly its best-known export.

Business has been bustling here in the three months or so since the market opened, said a woman named Zova, presiding over a table piled with candy and packages of coffee. Most of the customers were Serbs.

"We buy everything here," said one Serbian woman, clutching a bag of hard candy. "In our own country, there is nothing. We have nothing to eat."

Some of the purchases are for family use, but much is for resale and will turn up in coming days in the street markets of Serbian cities and towns. A bag of rice or a package of coffee here cost half the price — reckoned, like everything else, in German marks — they would fetch in Belgrade.

"The only trouble," Mr. Petkovic said, "is that now the Bulgarians won't let you bring back gas."

Gasoline is the ultimate prize of the shopping pilgrims. Until such outings were finally halted for safety reasons, entire tour buses used to come here, the passengers carrying

empty plastic jugs and other containers. The buses would return home packed with gasoline and with everyone, in the central European fashion, puffing away on cigarettes.

On Wednesday, a huge gasoline market was closed down in a hail of gunfire, assuring higher gas prices in Belgrade in the days to come. This week the going price for gas in Belgrade was about \$8 a gallon.

In a no-man's-land stretching about 100 yards between the border posts of Gradina on the Yugoslav side and Kalotina on the Bulgarian side, the gasoline market had sprung up in the time-honored fashion, with bribes paid to secure the cooperation of customs officials.

Parking in cars and trucks packed with containers of gasoline, they sold the gas to eager Yugoslavs who carted it back across the border for resale, effectively a new pipeline that mitigated the effect of sanctions.

Lowering their voices, looking over their shoulders and speaking very much not for attribution, a number of people who regularly visit the border sought to explain why the market had been shut down.

The market had been taken over by Bulgarian gangsters who were levying their own "taxes" through extortion, they said.

Somewhere along the way the head gangster had angered the Bulgarian spe-

cial operations police — according to one version, through the unrelated killing of two officers — so the police swept down on the market with guns blazing.

Now all that was left of that market was a few piles of empty plastic jugs, a greasy slick on the pavement and a special detail of Serbian police with automatic rifles in the no-man's-land.

Despite the blow to commerce, there are still long traffic jams at the border crossing, though less spectacular than the bottlenecks that sometimes stretch a dozen miles or more at the border with Hungary, where the markets are lush.

Tour buses go back and forth between Serbia and Turkey, where customs agents are paid about \$3,500 per bus to let the goods through. "Bulgaria, Romania, fah! Nothing good to buy!" the entrepreneur said, dismissing the rest of the former Communist bloc.

"But no gasoline — that's on the embargo list and we respect it," he added with a faint attempt at solemnity as the men around him howled with laughter.

The subject of gasoline also came up when a car traveling from Belgrade to the Bulgarian border suddenly began to buck, sputter and lurch, indicating that it was running on fuel that had been mixed with water.

"Damn, I bought this gas from a friend," the driver cursed.

16 Are Shot In Attack On Tourists In Cairo

By Youssef M. Ibrahim  
New York Times Service

CAIRO — Gunmen thought to be Muslim militants fired on a tourist bus on Monday, wounding eight Austrians and eight Egyptians in one of Cairo's historic sites and ending a lull in attacks aimed at crippling Egypt's tourism industry.

The Interior Ministry said that unidentified men ambushed the bus, which carried 18 Austrian tourists, hitting it with "two explosive devices, one of which landed inside and the other exploded outside" the vehicle.

Two of the tourists were seriously wounded, a doctor at a nearby hospital said. One witness said that some of the Egyptian victims were wounded as they pursued the fleeing attackers. Others were hit by shrapnel from the explosions.

The witness said one of the men raked the bus with gunfire while another threw bombs. The scene of the attack was in old Cairo, a neighborhood that holds a huge complex of thousand-year-old Coptic churches.

The attack marked a resurgence of fundamentalist violence this month after a period of relative quiet.

In the last two weeks Muslim militants have launched a series of assaults against policemen in southern Egypt that took 18 lives, the highest toll since militants two years ago turned to violence in their attempt to replace the government of President Hosni Mubarak with a Muslim theocracy on the Iranian model.

Although these attacks have failed to shake the government, they have caused the death of more than 230 people in the last 21 months and wounded nearly a thousand more.

The attacks have also led to a huge security campaign of arrests and roundups of fundamentalists resulting in the detention of at least 8,000 suspects. Some human-rights organizations have reported that many were tortured to extract confessions, a claim that was denied by the government.

A total of 29 Muslim fundamentalists, the Islamic Group and the Islamic Jihad, have been hanged this year after convictions on charges of murder and armed attacks, making 1993 the year in which the largest number of executions have been carried out for political crimes this century in Egypt.

The brunt of the militants' attacks have been aimed at policemen, Egyptian officials and Christian Copts, mostly in southern Egypt. Attacks on tourists have been few and far between, but enough to punish the Egyptian tourist industry, an important source of revenue for the government.

Compared with 1992, when 3 million tourists visited Egypt bringing \$4 billion in revenues, this year the country expects to total half that number of foreign visitors and much smaller revenues.

With the exception of the Sinai Peninsula bordered by the Red Sea, many of Egypt's tourist sites are largely empty, with hundreds of hotels begging for clients this holiday season. Normally, luxury hotels are filled for the Christmas holiday and year-end festivities.

The attack Monday was the first on foreigners since two Americans, an Italian and a Frenchman were killed by a gunman in a luxury Cairo hotel Oct. 26.

Militants have also killed a Briton, a Turk and a Swede, and wounded around two dozen other foreigners since they launched their campaign against Mr. Mubarak's government in March 1992.

Castro Granddaughter Is 'Free to Go'

HAVANA (Reuters) — President Fidel Castro has said that his teenage granddaughter can leave Cuba to join her mother in the United States if she has the consent of the rest of the family, the Reverend Jesse Jackson said Monday.

Mr. Jackson, who is visiting Havana, said he had raised the issue of Alina Fernandez Revuelta's daughter in talks with Mr. Castro on Sunday. "He said she is free to go," Mr. Jackson said, subject to the consent of other family members.

Mr. Fernandez, Mr. Castro's daughter, fled to the United States last week from Cuba, disguised by a wig and using a forged Spanish passport, leaving her 16-year-old daughter behind. She said then that her main concern was how long it would be before she could see her daughter, Alina Maria, a dance student at the National School of Arts in Cuba.

Sweden to Decide on Denmark Link

STOCKHOLM (Reuters) — The Swedish government will decide this week whether to go ahead with a 16-kilometer bridge and tunnel link to Denmark, a spokesman for Prime Minister Carl Bildt said Monday.

Mr. Bildt's office announced that he would meet with the Danish prime minister, Poul Nyrup Rasmussen, in Copenhagen on Thursday to discuss the issue.

The project would realize a century-old dream of linking Sweden and Denmark across the Øresund Strait and be the first fixed link between Scandinavia and the Continent. But a decision to proceed could threaten Mr. Bildt's minority center-right government. The Center Party, which opposes the link on environmental grounds, is a partner in the four-party coalition government.

Manila to Hunt Cathedral Attackers

DAVAO, Philippines (Reuters) — President Fidel V. Ramos, vowing not to allow extremists wreck his peace efforts, ordered a hunt on Monday for attackers who hurled grenades into a Philippine cathedral, killing six worshippers.

Eight hours after the attack in Davao City, attackers thought to be Christian militants retaliated by firing two grenades at a Muslim on the city's outskirts. One exploded but there were no casualties, the police said.

More than 130 worshippers among thousands in the crowded cathedral for Sunday's main evening Mass were wounded. In Manila, Mr. Ramos ordered the military to tighten security after the attack, which coincided with a cease-fire and peace talks between his government and Muslim separatists.

Hosokawa, Japan Diet's Leader, Owes More Than Most to His Job

TOKYO — The son and nephew of a gambling tycoon are the richest members of the Diet, Japan's parliament, while Prime Minister Morihiro Hosokawa is the deputy poorest in debt, according to a parliamentary report issued on Monday.

The report said the average Japanese member of parliament owned assets worth 91.3 million yen (\$830,000) and had loans of about 36.5 million yen.

Mr. Hosokawa's assets were 96 million yen against bank and other loans outstanding worth 930 million yen and attributable to his political campaigns, the report said.

The report said the richest of the 511-member Lower House was Eisaro Itoyama, a conservative without party affiliation and the nephew of a gambling magnate, Ryuzichi Sasagawa.

Mr. Itoyama's assets were about 5.05 billion yen. Mr. Sasagawa's son Takashi, also a Lower House member, came in second with 4.09 billion yen in assets.

Both Sides Break Afghan Cease-Fire

KABUL (Reuters) — Rival Afghan forces of President Burhanuddin Rabbani and Prime Minister Gulbuddin Hekmatyar battled with rockets and mortars on Monday, shattering an agreed truce even before it could take effect.

Five rockets landed inside Kabul, wounding at least five people, while the two sides exchanged rocket and mortar fire on mountains south of the capital, witnesses said.

There was no immediate information about the cause of the latest fighting, only a day after the Afghan cabinet announced a cease-fire between the two sides to be effective from Monday in the eastern districts of Takab and Sarobi.

Bonn Readies Aid for Blood Victims

BONN (AP) — People who received the AIDS-causing virus or the disease through transfusions of infected blood will receive emergency aid from Jan. 1, the Health Ministry said Monday.

Carriers of the HIV virus will receive 1,000 marks (\$590) a month. People who have developed AIDS will get 2,000 marks a month, the ministry said. Family members infected by the patients will be ineligible for the aid.

The emergency fund was established after a scandal in October when two blood banks were discovered to have distributed blood untested for AIDS.

Russians Track Down Kidnappers, and Ransom

The Associated Press

MOSCOW — Authorities tracked four kidnappers through snowy mountains and captured them Monday, a day after they had freed the last of their young hostages and fled in a helicopter with \$10 million in ransom.

The police said most or all of the money, paid by the Russian government, had been recovered.

"The money is still being counted — what they had on them, plus what they left behind in the helicopter," a police officer, Yuri Reshetnik, said. "I guess it was too much for them to carry and still run through the mountains."

If convicted, the kidnappers could face the death penalty. Even in a nation beset by organized crime and lawlessness, Russians had been shocked by the seizure of a dozen teenage boys and girls from Public School No. 25 in Rosiov-on-Don, 1,000 kilometers (620 miles) south of Moscow.

President Boris N. Yeltsin's government — which faces a rising challenge from extreme nationalists and Communists who are using the need to fight crime as a rallying cry — responded to the hostage-taking as though it were a major environmental disaster or international crisis.

An emergency committee headed by a deputy prime minister oversaw the situation as it developed. The Foreign Ministry sent a negotiator.

The central bank hurriedly borrowed \$10 million from two private banks to pay the ransom, and the former KGB dispatched its elite Alpha commando troops.

The police said the four gunmen had been captured two at a time in an eight-hour manhunt that began Sunday night after they had released their hostages in the resort city of Mineralnye Vody and had taken off in a military helicopter.

Fighting Rages Around Sarajevo Despite a Truce

Reuters

SARAJEVO, Bosnia-Herzegovina — Six people were killed and 31 were injured as fighting between Muslim-led government forces and rebel Serbs raged in the besieged Bosnian capital of Sarajevo on Monday despite a Christmas truce, hospitals said.

Bosnian soldiers accompanying wounded comrades to the city's Kosevo hospital said Serbian forces attacked government lines near Vogosca, north of the capital, before dawn and captured two trenches. Government troops were counterattacking strongly, they said.

The tempo picked up Sunday evening, with UN observers reporting 321 artillery rounds landing on the city between 6 P.M. Sunday and 8 A.M. on Monday. About 70 rounds were returned on Serbian positions during that period.

Serbian-held Vogosca was a key manufacturing center before Bosnia erupted into war 20 months ago. It sits astride strategic routes running into and around Sarajevo and is believed to be the site of a major Serbian munitions factory.

RIPPLE: Dream Is Jolted

Continued from Page 1

would continue to bleed from the wounds of Bosnia if President Slobodan Milosevic of Serbia is not checked by "a credible threat of force."

Conquerors are never satisfied," Mr. Vasek wrote in an article for the London-based Balkan Bulletin War Report. "On they go until faced with matching strength."

Many analysts point to the former Yugoslav republic of Macedonia as the next most likely Balkan flashpoint, noting that at least three of its neighbors — Bulgaria, Greece and Serbia — and possibly Albania as well have "political or territorial designs" on it, as a former U.S. ambassador to Belgrade, George F. Kennan, put it in The New York Review of Books.

Misha Glenny, author of "The Fall of Yugoslavia" and a specialist on Balkan nationalism, says he believes that "the rape of Bosnia-Herzegovina" virtually assures that Macedonia will splinter next.

"Whenever war has broken out in the Balkans in this century, either Bosnia or Macedonia has been the main theater," Mr. Glenny wrote in the International Herald Tribune.

Many analysts point to Kosovo, Serbia's southernmost province, where 90 percent of the population is Albanian, as the most likely fuse to set off the Macedonia powder keg. Albanians from Kosovo are immigrating by the thousands to Macedonia to stir up nationalist sentiment among the ethnic Albanians, who form 25 percent to 30 percent of Macedonia's population.

Some Balkan analysts, however, say they believe the first country to suffer from Bosnia's dismemberment will be Croatia. Its president, Franjo Tudjman, has convined against the Muslims in Bosnia's partition even while rising his own country's ambition by the Serbian minority, which has seized control of 25 percent of Croatian territory since Croatia declared its independence from Yugoslavia two and a half years ago.

Yet some scholars and analysts argue that it is not necessarily true that as Bosnia goes, so goes Macedonia, Croatia or Albania.

Similarly, Duncan M. Perry, director of analytical research at Radio Free Europe in Munich, questions the inevitability of a domino effect from Bosnia's breakup.

Europe and the United States, Mr. Perry said, still have time to "build a fire wall in Macedonia to contain the Yugoslav wars of secession."

But they must begin immediately to provide Macedonia with significant economic and diplomatic assistance, he said.

3 Wounded On Trains Near Paris

Agence France-Press

PARIS — Three passengers were injured when shots were fired at suburban trains and coaches were pelted with stones, railway officials said Monday.

The stone-throwing began Sunday afternoon on the line between Paris and Pontoise. Early Sunday evening, a passenger on a Paris-bound train on that line had to be taken to a hospital after being injured when shots were fired at the train, breaking three windows.

A few hours later, between Epinay-sur-Seine and Paris, two passengers were slightly injured when stones smashed three coach windows.

The next three scheduled trains were canceled as railway workers called the police for protection. Police officers accompanied the remaining trains Sunday night and patrolled the tracks.

British Woman Bears Twins at The Age of 59

Reuters

LONDON — A 59-year-old British woman has become the oldest woman on record to have twins after giving birth to test-tube babies on Christmas Day, a British newspaper reported on Monday.

The woman, who was not named, was given fertility treatment by an Italian doctor, Severino Antinori, and had her babies by Caesarean section in a London clinic on Saturday.

Dr. Antinori has helped a succession of women over 50 become mothers.

Typhoon Kills 47 in Philippines

Ramos Declares Disaster as 80,000 Flee Their Homes

Compiled by Our Staff From Dispatches

CEBU, Philippines — President Fidel V. Ramos declared a disaster in 11 provinces and 10 cities on Monday after a typhoon swept across the central Philippines, killing at least 47 people.

Sixteen people were missing, and seven vessels, including ferries, a yacht, a tugboat and a barge, capsized at the height of the storm on Saturday and Sunday, the Coast Guard and the Red Cross said. Nearly 80,000 others were driven from their homes by the storm.

It was the record 32d tropical cyclone to hit the archipelago of 7,100 islands this year. The typhoon season normally ends by early November, but more than 300 people have been killed by a series of storms this month. The highest previous number of storms known to have hit the country was in 1964, when there were 30.

The Philippine News Agency said 13 people aboard a motorized outrigger were missing after the boat was swamped by high seas as winds, gusting up to 150 kilometers an hour (93 miles an hour), roared across the country's main vacation island, Cebu.

A total of 24 people died on Cebu, mostly from

drowning and some by electrocution, while 14 died on Leyte island, relief officials said.

Nine deaths were reported on Bohol island and in the southern provinces of Agusan del Norte and Davao del Norte, the civil defense office in Manila said.

The disaster declaration allowed the release of emergency funds for relief operations in the affected areas, where the Ministry of Agriculture put crop losses at 14 million pesos (\$500,000). Estimates by local officials were much higher.

Rice, corn and fruit plantations were hit the hardest as continuous rains flooded fields, the ministry said.

By late Monday, the storm was over open water heading toward the South China Sea, the weather bureau said. It was downgraded from typhoon status after its winds weakened to 90 kilometers an hour.

Elsewhere, rescuers found two more bodies in a landslide caused by floods from torrential rains in Indonesia's West Java, bringing the death toll to 15, the police said. They said they believed most if not all of the victims were gold diggers whose tents were crushed by tons of mud late Friday.

(Reuters, AP)

Europe Floods Leave Mighty Mess

Reuters

AMSTERDAM — Thousands of people in northwest Europe returned home on Monday to pick ruined possessions out of foul water and mud after the worst floods in decades.

Rivers swollen by torrential rain over the past week were reported retreating in the worst-affected areas of southeastern Netherlands, eastern France and low-lying parts of Germany and Belgium.

They could no longer pass under the bridges. Some stretches of riverfront expressways were cut off as water levels rose 3.65 meters (12 feet).

The authorities said that the Seine could rise further on Tuesday.

Floods receded slowly in the Soissons area of eastern France. Two police officers who were missing from a flood patrol in the Ardennes region last week still had not been found on Monday.

At least seven people were killed across northwest Europe because of heavy rain and flooding before Christmas.

Officials estimated that flood damage in four West German states totaled more than 1 billion Deutsche marks (\$588 million).

The Dutch government declared the floods a national disaster, and charities launched a joint appeal to raise funds for the victims.

In Veneto, the largest Dutch city to be badly hit, evacuees were not expected to be able to return home until Wednesday.

In Paris, where floodwaters were still rising, tourist boats stopped services on the Seine because

سنة من الأمل



# STATESIDE / NEW RITES AND TRADITIONS

## Focus of Mammogram Debate Shifts to Costs

By Gina Kolata  
New York Times Service

**NEW YORK** — With the announcement this month that the National Cancer Institute would no longer recommend that women in their 40s have regular mammograms, the emotional debate over precautionary screening for breast cancer is shifting from a purely medical question to one of cost.

Should insurance companies continue to pay for the tests in younger women, and should President Bill Clinton's health plan hold fast to its proposal to raise payments for routine mammograms in women under 50?

Advocates of such screening, which can spot minute tumors before they can be felt, say they are prepared to fight to guarantee in-

urance payments for routine mammograms in younger women.

With a nation "so anguished and angry about breast cancer, it's going to be very difficult to remove this tool," Amy Langer, executive director of the National Alliance of Breast Cancer Organizations, said.

But many health economists and health care planners say the tests for women under 50 should not be subsidized. They add that if the government cannot hold firm on this point, there is no hope of ever controlling medical costs.

Dr. David Eddy, a professor of health policy and management at Duke University in Durham, North Carolina, and a member of the Clinton health care team, said the mammogram issue was a highly visible test case.

"If we yield every time there's a constituency that can make an emotional argument for coverage of something that is not supported by actual evidence," he said, "then we will have a chaotic, expensive and inefficient health care system in this country."

The cancer institute said that, although 30 years of studies had proven that mammograms saved lives of women over 50, the studies had failed to prove that early detection saved younger women.

The institute said that, rather than make a recommendation that women in their 40s should have or should not have the tests, it would lay out the data and let each woman decide for herself.

Some groups, such as the Ameri-

can College of Radiology and the American Cancer Society, agree that mammograms have not been proven to save younger women.

But, they argue, the studies have not conclusively ruled out a potential benefit, so it would not be correct to say that mammograms are useless for younger women. These groups continue to recommend regular screening mammograms for women in their 40s.

Still, the National Cancer Institute's action gave the question of cost new impetus. If the principal research institute was declining to recommend screening, should insurers and health maintenance organizations continue to pay for it?

Dr. Larry Kessler, the chief of the applied-research branch at the

cancer institute, said that a mammogram cost an average of \$100 and that 5 million women in their 40s had them in 1990, for a total cost of half a billion dollars.

Using available data, he said, a conservative estimate would be that about 94 percent of the tests were normal. But six of every 100 women who had mammograms, or 315,000 women, were called back for an additional mammogram or sonogram to look more closely at suspicious areas.

That, Dr. Kessler said, added at least a further \$31 million to the mammogram bill. Of those who had these additional tests, he said, at least 46,000 had to have biopsies, at a cost of \$2,000 to \$3,000 each, adding \$92 million to \$138 million to the total cost.

Those biopsies detected cancers in about 13,500 women, or 0.27 percent of those in their 40s who had had mammograms.

Insurance companies as a group do not take a position on the merits of the test, Richard Coors, a spokesman for the Health Insurance Association of America, said. Instead, he said, insurers "respond to the market demand or the demand of state legislators," providing coverage when customers ask for it or state law requires it.

Jeanne Casey, editor of the Health Benefits Newsletter, based in Alexandria, Virginia, said 42 of the 50 states required insurance companies to pay for mammograms for women in their 40s.

Those who believe the tests save lives, even if the proof is not at hand, argue passionately that women will die if the examinations are not subsidized. "We're just terrified, frankly, that we will backslide" if the payments cease, Ms. Langer said.

Dr. Sarah Fox, an associate professor of family medicine at the University of California at Los Angeles, said that not paying for the tests would penalize poor women, as the more affluent would still be able to afford them.

But Dr. Ann Flood, a health policy analyst who directs the Center for the Evaluative Clinical Sciences at Dartmouth College in Hanover, New Hampshire, said that now, more than ever, was a time for health policy planners to hold firm.

Mammography has not been shown to be beneficial in younger women, she asserted.

"We should really begin to say that we want to deal with care and services that are beneficial," Dr. Flood said. "If we cannot show that something is beneficial, we should not pay for it. We need to make that hard choice in many different settings."

## Reverence? Or Is It Robbery? New Age Movement Emulates Indian Ways

By David Johnston  
New York Times Service

**BOULDER, Colorado** — In an ancient rite of American Indians, wisps of smoke rose from burning herbs in prayer in Mother Earth and Father Sky, as the pipe-carrier intoned solemnly, "Creator, we come to you in a sacred manner."

There were Indian chants of "Ho," a song about the return of the bison and some reverent words offered for "the red nation."

All that was missing was an Indian. The 40 or so people gathered in the circle, sitting cross-legged on pillows and futons, were white. They are adherents of the growing New Age movement, which emulates Indian ways in a spiritual quest.

But many Indian tribes and organizations, far from being flattered by the imitators, have denounced the movement as cultural robbery.

"This is the final phase of genocide," said John Lavelle, a Santee Sioux who is the director of the center for Support and Protection of Indian Religions and Indigenous Traditions. "First whites took the land and all that was physical. Now they're going after what is intangible."

The National Congress of American Indians in December approved a "declaration of war" against those who accuse of exploiting sacred rituals, citing "non-Indian wannabes, hucksters, cultists, commercial profiteers and self-styled New Age shamans."

Ancient Indian rites and traditions, like sun dances, vision quests and purification sweat lodges have become staples of self-exploration used by New Age spiritual seekers, mostly in trendy, affluent places like Marin County in California; Santa Fe, New Mexico; Sedona, Arizona, and here in Boulder.

The pipe smokers here, who gathered on the second-floor of an office building over a pizzeria, are members of the Church of Gaia: Council of the Six Directions, a group named for the Greek earth goddess. The congregation of about 100 people includes teachers, pharmacists and executives.

"We're baby boomers, middle-class whites," said Stephen Buhner, a founder of the church, which was incorporated in 1990.

He described his church as a blend of mysticism and ecology, a spirituality that "allows you to re-establish your harmony and proper relationship with the web of life."

Mr. Buhner, 41, said he grew up in suburban Dallas as a Methodist, a religion he found "boring and not very much fun at all."

He said he experienced a spiritual revelation in 1969 while attending a concert by the Jefferson Airplane rock group in San Francisco, and began a quest for an "earth-centered" religion that led him to Boulder.

His wife, Trishuwa, who does not use a last name, leads the pipe ceremony. The couple lives in a solar home on 35 acres (14 hectares) of pine-covered land in the foothills west of Boulder, where they sponsor vision quests and the rites of the sweat lodge.

Mr. Buhner also works as a "spiritual mentor" at \$20 an hour per student.

He said he knew that many Indians consider his church to be a mockery of sacred rituals. In fact, he

said, some Indians have threatened harm to the church, unless it closes. But Mr. Buhner accuses those critics, whom he described as "Indian fundamentalists," of practicing "reverse racism."

"I don't think that relationship with Creator is based on skin color," he said. "They can't tell me I can't pray this way just because I'm white."

But many Indians complain that their religion is being used as a kind of spiritual fashion statement and a hobby for bored, wealthy suburbanites.

"They want to escape into what they consider the exotic traditions of Indian people," said Mr. Lavelle, whose group has offices in San Francisco and on the Pine Ridge Reservation in South Dakota. "This kind of romantic appreciation has always been a problem for Indians. It's the conqueror fantasizing about who he has conquered."

George Tinker, an Osage who is a professor at the Ifliff School of Theology in Denver, expressed concern that whites would transform Indian culture in their own images.

"When you uproot something from one culture and plant it in another culture, it is not the same thing," he said. "The danger is that these mutations of spirituality will make their way back into the Indian world."

He said Indian spirituality focused on the larger community, the tribe, and never the individual, while the New Age variation was "centered on the self, a sort of Western individualism run amok."

Not all Indians have been critical of whites who adopt tribal customs. Ed McGaa, the author of "Mother Earth Spirituality" (Harper Collins, 1990), said most of the New Age adherents were sincere, tolerant people who simply wish to find spiritual nourishment.

He said Indians should be willing to share their traditions. "If we want the white man to change, we must teach him," Mr. McGaa said.

But Mr. McGaa himself has been the object of protests by Indians for disclosing — and some say distorting — sacred Sioux ceremonies in his writings.

The infatuation with Indian tradition by whites was a widespread fad in the 1960s, when many youths left the suburbs in search of a life in tepees. In the late 1970s and early 1980s, the mystical writings of Carlos Castaneda brought another surge of interest in Indians. And in recent years, the New Age movement and some movies, most notably "Dances With Wolves," have also served to heighten romanticism about Indians.

Since 1960, the number of people who told the Census Bureau they are Indian has tripled, to about 1.8 million. In the last 10 years, the number of people who claim to be Indian in New Jersey, for example, grew by nearly 80 percent.

New Age magazines, like Shaman's Drum, are full of advertisements that capitalize on Indian wares and rituals, selling tepees, custom moccasins and ceremonial pipes.

Followers of the movement are an affluent, well-educated group. The advertising kit for the monthly New Age Journal magazine, for example, which has 180,000 subscribers, says that 50 percent of its readers have attended graduate school and that the average household income is over \$60,000.



2 HUNTERS, 1 DUCK — Mr. Clinton and Representative Bill Brewster, left, an Oklahoma Democrat, returning from a hunting trip at Taylor's Island, Maryland. Mr. Clinton said they bagged one duck between them. He credited Mr. Brewster with the kill.

### Clinton Hunts for a Gun-Control Image

**TAYLOR'S ISLAND, Maryland** — President Clinton and two congressmen donned camouflage outfits and went duck hunting on Maryland's Eastern Shore on Monday.

Would the outing would affect his gun-control image? "It'll strengthen it," he said. "It makes the point I've been making all along — that it doesn't have anything to do with hunting."

Asked how the shooting went, Mr. Clinton said: "There was only one. We only shot at one, and we got one." Mr. Clinton said he and Representative Bill Brewster, an Oklahoma Democrat, both fired at the duck, and he thought that Mr. Brewster had bagged it. (AP)

### A Spectator With a Different Slant

**NEW YORK** — The American Spectator made a publicity splash two years ago with an article called "The Real Anita Hill," in which it questioned the motives and character of Clarence Thomas's accuser. Then it seemed to disappear, only to return with a vengeance last week with an article called "His Cheatin' Heart," which contends that President Bill Clinton used Arkansas state troopers to help him conduct what it called sordid affairs while he was governor.

The aggressively conservative journal has enjoyed rapid growth in the last two years; it says its circulation has increased sevenfold since January 1992, to more than 200,000.

"People are turning to us because they are living in a culture polluted with someone else's preferences, tastes and perspectives," said R. Emmett Tyrrell Jr., 50, the editor. "The White House and the major editorial boards are trying to sell a vision of America that does not exist and so people are turning to our magazine to learn what is really going on."

Mr. Tyrrell, who founded The Spectator in 1967 while he was a student at Indiana University, traces his magazine's growth to an overhaul two years ago. He punched up the copy, blending more topical and hard-hitting articles with his musings on Keynesian economics and the decline of Western civilization. And, he said, "We began running more investigative pieces on people and issues that our readers feel are slanted by the mainstream media." (NYT)

### But critics contend that the magazine merely apes the conventions of objective reporting to appear fair-minded.

"They go on about how they spend months doing dozens of interviews for their stories, but they don't have any of the scrupulousness about facts of serious investigative journalists," said Michael Kinsey, a senior editor at The New Republic and the liberal co-host of CNN's "Crossfire."

Conservatives have also criticized The Spectator, especially for the near pornographic detail in the Clinton article.

"I've never seen this kind of detail in a respectable magazine," said Patrick Buchanan, a former presidential candidate and a conservative syndicated columnist.

"This is the kind of stuff that used to be confined to the supermarket tabloids. It's very lurid and lewd, and I think it's degrading to the national debate on issues like NAFTA and health care, which is where we ought to be putting our energies." (NYT)

### Friends Give the President a Big Hand

**WASHINGTON** — White House officials estimate that during the three weeks from early December through Christmas, the president and the first lady, Hillary Rodham Clinton, shook hands with 100,000 White House visitors. Among them were supporters from around the country, Washington-area children, the White House press and staff members who were favored at more than a dozen receptions.

All got a photo taken during their 11 seconds with the first family. It works out to about 5,000 hands per day. Though Mr. Clinton survived with the help of Secret Service instructions on low-pressure handshakes, the president has been noticeably hoarse and red-eyed as a result of his seasonal allergy to evergreen Christmas wreaths and other holiday cheer. (LAT)

### Quote / Unquote

John Lavelle, who works to protect American Indian traditions, referring to the New Age movement in which non-Indians mimic Indian culture: "This is the final phase of genocide. First whites took the land and all that was physical. Now they're going after what is intangible." (NYT)

### Away From Politics

• The novelist Toni Morrison said all her manuscripts, from her earliest writings, were lost in a fire that destroyed her country home on the Hudson River in New York State. Ms. Morrison, who was awarded the 1993 Nobel Prize for Literature, and has a Pulitzer Prize, was in her home in Princeton, New Jersey, when the fire began. Fire officials said the blaze destroyed the four-story colonial home.

• Nineteen mentally retarded boys who thought they were participating in a science club in the 1940s and 1950s were actually fed radioactive milk by scientists who wanted to learn about the digestive system, The Boston Sunday Globe reported. While one researcher

said that the radiation levels to which the boys were exposed were not harmful, other experts said there was no such thing as a safe level of exposure. The experiment exposed the boys to radiation that was at least the equivalent of 50 chest X-rays, The Globe said.

• A sheriff's deputy in Lake Forest, California, apparently shot and killed a colleague during a training exercise. Sheriff's officials said an Orange County deputy, Darryn Leroy Robbins, was in a group of deputies acting out car stops behind a shopping-mall theater when he was fatally wounded by a bullet from one of their weapons. (AP, NYT)

## UN Chief Urging 'Patience'

### Butros Ghali Learns China Won't Press North Koreans

By Steven Mufson  
Washington Post Service

**BEIJING** — The United Nations secretary-general, Butros Ghali, urged "patience" on Monday to resolve the dispute over North Korea's refusal to allow nuclear inspections.

After stops in Korea and China, Mr. Butros Ghali said that he believed the crisis could be resolved through negotiation.

"All of the actions in this crisis continue to negotiate, and I believe that that way we can find a peaceful solution," Mr. Butros Ghali said. "I find a political will among leaderships to find a peaceful solution to the crisis."

His visit to Beijing was believed to be part of an effort to get China, North Korea's only ally, to exert its influence on the North Korean leader, Kim Il Sung. But the UN chief insisted that he had come only to keep the Chinese government informed.

The Chinese appeared to have granted him little on North Korea. The Xinhua press agency said that Prime Minister Li Peng had told the secretary-general that China opposed the use of sanctions against North Korea. As one of five permanent members of the Security Council, China, like the United States, has veto power over resolutions.

"The government of China is very clear," Mr. Butros Ghali said. "They don't believe that pressures will help solve the problem, and they believe that more dialogue, patience and negotiations are needed."

[In Washington, a State Department spokesman said that comments by Mr. Li were merely a reiteration of China's position that "economic sanctions wouldn't promote resolution of the North Korean nuclear issue." Reuters reported.]

Asked if Washington viewed

## Malaysia to Allow College Courses Using English

### Malaysia to Allow College Courses Using English

By Reuters

**KUALA LUMPUR** — Prime Minister Mahathir bin Mohamad said Monday that the government would allow technical subjects to be taught in English at colleges and universities.

Malaysia, a former British colony, began phasing out instruction in English in 1971 in a bid to eradicate vestiges of colonialism and build a national language and identity. The process was complete by 1980.

Mr. Mahathir said his cabinet had recently decided to bring back English language instruction, at least at college level, so that Malaysia could remain internationally competitive.

"We'll use English where necessary because we cannot let the efficiency and capability of our people be lower than that of people in foreign countries," Mr. Mahathir said.

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# Herald INTERNATIONAL Tribune

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## The New Maoism: A Shadow Play for Today's Leaders

By Ross Terrill

WASHINGTON — Why is China paying attention to a dead Communist, even as it surges ahead on the road to capitalism?

The Communist in question is, of course, Mao Zedong, who died in 1976. In his anniversary year — Sunday marked his 100th birthday — he continues to fascinate the Chinese people, and his shadow complicates life for today's leaders.

From the start, the Chinese Revolution had two broad aims: to throw off foreign control and to rescue the Chinese people from poverty. Mao led China to success on the national front (independence) and a relative failure on the economic (backward). In the years after Mao, much of the "class struggle" and "self-reliance" that he stood for was set aside. Ideology was downgraded. Expertise and technique were newly valued. Economic activity was regarded as its own justification.

But while money-making under repressive rule is the order of the day, the "craze for Mao," as it is called in Chinese, has grown ever stronger since the late 1980s. In China, the fashion of commerce in southern Guangdong Province, nightclub stars sing in praise of Mao's ideas. Private shopkeepers offer busts of Mao that glow in the dark. In Fujian Province, Mao temples appear, his portrait on the altar.

This new mystification of Mao is poles apart from the Maoism of the Cultural Revolution of which Deng Xiaoping today's paramount leader was a victim. As "Pop Mao," it is too good-humored, too commercial, too dry to remind anyone of the zealous days of the late 1960s.

Some of the new Maoism recalls Chinese tradition, including that of honoring the (mythical) Yellow Emperor as an unchangeable hero. When devastating floods hit the Yangtze Valley in 1991, farmers chanted the emperor's name, just as Chinese Buddhists for centuries have chanted images of Guan Yin, the goddess of mercy, to keep them safe and make them prosperous. And like pilgrims to the purported tomb of the Yellow Emperor north of Xian, people again flock to Mao's birthplace in Hunan Province.

It is natural that, in an era of economic boom and dislocation, superstition should return. Mao may seem an unlikely "god," but hundreds of millions of people brought up in the Communist era are not familiar with the traditional deities. Mao fills in the void.

The current Communist leaders have mixed feelings about this. "We can remember Mao by singing his songs, but we cannot do him justice by this alone," wrote the official paper China Daily, with some irritation. Government organs spend money on new editions and printings of Mao's works and on films extolling him. This is a safe way to co-opt the craze, steering it in the direction of respect for Mao as a Marxist, and away from superstition.

Deng Xiaoping, whose legitimacy as a leader stems from his courage in dismantling Maoism, faces enemies on both flanks. Senior leftist figures use the Mao craze to caution against

some of Mr. Deng's free-market policies. But among ordinary citizens, "Pop Mao" is a subtle mockery of the whole box and dice of Communist politics. It is also a symbol of commerce delecting politics.

Last year, in an attempt to damp down the Mao craze, and cow those leftists riding on the back of it, Mr. Deng traveled to the commercial South and flashed a green light for a new spurt of reform. He reminded the nation of the horrors of the Cultural Revolution, and pointed out

Senior leftists use the Mao craze to caution against some of Deng's free-market policies. But ordinary citizens see it as a subtle mockery of the whole box and dice of Communist politics.

that his reforms were a relief from those horrors — and a negation of the late Mao. His aides brazenly asserted that Mr. Deng's ideas were the "true development of Mao's thought" and added that "any attempt to make use of the 'Mao craze' for other schemes would be a serious disruption of Deng's path."

In some ways, Mr. Deng's China grew from the ashes of Mao's China.

Half the Politburo for much of the 1980s consisted of people whom Mao had imprisoned or sent to rural labor camps. Thousands of the small businessmen who make the economy zip had the same experience.

But in some ways, Mao also foretold the spirit and contradictions of the Deng era. In 1958, for example, he observed that after China becomes modernized and industrialized, "we may possibly become too cocky and raise our tail sky-high." The same could be said today of the foreign policy of Mr. Deng and his heir, Jiang Zemin, as Beijing dismisses Western concerns about human rights in China, sells arms to some of the world's most dangerous regimes and disdains widespread Asian concern at its military buildup and unilateral behavior in the disputed Spratly Islands.

It must amuse Chinese who are busy making money to recall that Mao repeatedly expressed the fear that capitalism would come back in China. He grasped a truth but from an odd angle. It was less that capitalism "came back" in a triumphant struggle against a socialism caught off-guard than that socialism did not work well and capitalism was welcomed by a country desperate for a fresh approach.

When Deng Xiaoping dies, as when Mao died, it seems likely that legitimacy will be lacking and will have to be manufactured. Once more, a lawless lunge to pick up power may occur, and politics could again take the form of incipient coup. For despite Mr. Deng's ner-

vousness about the craze for Mao, he himself has become a new "Mao" — an "emperor" with a cult enveloping him. No one dares to say a word against him. No process exists to replace him when he dies.

Do not believe that Mr. Deng has "arranged" the succession. Mao chose two successors — the head of state Lin Biao and Defense Minister Hua Guofeng — and unthroned both. Mr. Deng topped Mr. Biao, showing what Mr. Deng felt about Mao's succession arrangements.

In other words, what Mao could not arrange, Deng Xiaoping cannot either. So China may ahead economically, dynamic in many areas but pathological in politics. It cannot be ruled out that the left could resurge under Mao's banner in the name of national unity, Chinese cultural pride and collective values. The utopian strands in Mao — his 1920s call for independence for his home province of Hunan, his equation of youth's party with truth — did not come out of nowhere and cannot be assumed to have died with Mao.

It is possible that a post-Communist Party China might fall into disorder and anguish, as has happened in parts of the former Soviet Union. Then, the ambiguous legacy of Mao could be pressed into the service of fascism, in the name of order, heroic leadership and national pride.

Because Mr. Deng's dismantling of Communist economic is less a goal than a process, it is hard to be sure how much of communism will survive. Is Mr. Deng getting rid only of Maoism, or also of communism?

Within five years of Mr. Deng's death, we may know the answer. We may see whether Mr. Deng demolished the Maoist house but preserved its Leninist foundations, or unwittingly kept intact a livable house with the label "Communism" hanging from its front door.

"Our population of 600 million will one day in the future have to face up when we go into the street," Mao said as long ago as 1958, puzzling his audience. "In the future the streets will be jammed with people. How will we distribute newspapers? How will we go to the movies? How will we go to the park? All these will become problems."

Indeed they will — with 1.17 billion people, they already have. Mao foresaw the titanic problem of governing a growing China. Mr. Deng's charming kingdom is the great reservoir in today's world of heretofore disadvantaged masses ready to stand up as free individuals.

"Our beloved fellow countrymen will be able to live like human beings," a wiser Mao, than a disenchanted Mao, said of the future regime he struggled for, "and to choose the government they wish."

Today, the Chinese can start to "live like human beings," thanks in part to Mr. Deng's reforms. But still they are not able to "choose the government they wish." Mystification takes the place of participation.

The writer's biography "Mao" is being published this month in an expanded paperback edition. He contributed this comment to The Washington Post.

## Outdated Nuclear Policy

The Pentagon is slowly coming to terms with the disappearance of the Soviet strategic missile threat. In one adjustment, the United States proposes to loosen the 1972 Anti-Ballistic Missile Treaty to permit a more effective defense against threats from other countries with lesser nuclear arsenals. In another, defense officials are exploring ways to alter the chilling fact that Russia and America agree to maintain Cold War-sized nuclear forces trained on each other.

The ABM Treaty forces now contemplated is meant to keep intact the ban on a continental defense against long-range nuclear missiles. Thus it leaves intact the theory of mutual assured destruction on which this treaty rests. The proposed treaty change would permit, however, a better defense of specific American and allied targets against shorter-range missiles. The latter are the weapons that the North Koreans and Iraqs might yet acquire.

The change is directly responsive to the new international environment. But there is a flurry over how to make it. The Clinton administration means not to alter the treaty by amendment, which would require Senate consent. Instead, it intends to seek the Russians' approval for a new reading, one permitting theater defense, in the reasonable expectation that Russians share the American fear that nuclear weapons will fall into less responsible

hands. The change has stirred the passionate corps of ABM Treaty proponents, who fear that even a modest fix will unravel the whole structure. The change also troubles those in the U.S. Senate who regard the treaty as a benchmark in Congress's struggle with the executive over foreign policy powers.

That the still-bigger Russian and American strategic forces remain on a hair trigger is something that cries out for review. The modest idea being considered in the administration is to re-target these forces. Both countries' missile-aim points would be shifted to remote, supposedly people-free places, like oceans. No real deterrence capability would be lost: The old aim points could be restored by computer without the flight time of a long-range missile launched against an American target. But some symbolic comfort might be gained and the atmosphere improved for further review.

During the Cold War, the United States spent decades acquiring the weapons and developing the aptitudes to protect its interests. Caution as well as institutional momentum will militate against these being quickly changed. But there is no more important subject than this one and no more important government business than revising U.S. nuclear policy to make it relevant to the new world we live in.

—THE WASHINGTON POST.

## Room for Pentagon Cuts

The numbers are obvious: If President Bill Clinton hopes to fulfill his promise to reshape spending priorities, he will have to cut existing domestic and defense programs by at least \$50 billion over the next five years. Otherwise, he will not be able to hit Congress's deficit-reduction targets and pay for his economic strategy of investing in education, training, research and infrastructure.

Yet the president has made the budget hole \$10 billion deeper by giving the Pentagon money to pay congressionally mandated salary increases over the next five years. The Pentagon wants even more to cover inflation during a five-year period in which it already plans to spend \$1.2 trillion. That averages \$240 billion a year — about five times what Russia spends on defense and nearly as much as the rest of the world combined.

The president is staring down too quickly. The Pentagon can find \$10 billion for salaries and \$20 billion for inflation in its own budget. If Mr. Clinton does not take on the military, he will jeopardize the core of his domestic agenda.

Unfortunately, Mr. Clinton's decision to fork over the \$10 billion is only the latest in a series of retreats in the battle to cut the Pentagon budget. The president promised to trim military spending by \$88 billion over five years, which seemed a plausible target given the collapse of the Soviet Union. But after a "bottom-up" review, Defense Secretary Les Aspin backed off. Mr. Aspin's original idea was to base the military budget on a strategy

under which the United States would be prepared to fight one Iraq-sized enemy on the ground while holding off another foe from the air. Instead, he decided the United States must base its force levels on the assumption that someday it could be confronted with two regional wars simultaneously.

But if he has the will, Mr. Clinton can still find his \$88 billion without even addressing the strategic question. He could, for example, cancel an unneeded new aircraft carrier — which alone would save \$5 billion next year — and cut excessive force levels. He could also buy fewer F-22 Stealth fighters, originally designed to counter future Russian fighters that in fact will not be built.

Without such trims, Mr. Clinton's domestic agenda will pay the price for Pentagon excess. The president originally proposed spending about \$30 billion next year on his investment program — mass transit, highways, early education, school-to-work assistance, job training, energy and scientific research. The total was later cut in half, to about \$16 billion. And \$2.5 billion will now be siphoned off to cover Pentagon pay hikes.

This year, President Clinton funded only one-third of his important initiatives, such as worker training and early childhood education. If he is to turn the federal budget as well as the economy around, he needs to grab every dollar he can find. The Pentagon is a perfect place to look.

—THE NEW YORK TIMES.

## 'No' to Chinese Eugenics

China's recent announcement of a new draft law to "avoid new births of inferior quality" explicitly refers to "more than 10 million disabled persons who could have been prevented through better controls." The language seems calculated to outrage Americans already upset over the forced abortions, prematurely induced labor and other cruelties associated with China's strict one-child-per-family policy.

But of course it is not. The proposed legislation, which only now needs approval from the usually rubber-stamp National People's Congress, simply expresses, in extreme form, the Chinese Communist government's philosophy on the issue: that population management is essential to China's economic development, and individual liberties must be subordinated to the goals of this power.

That view reflects Chinese tradition, Leninist dogma and some overly zealous thinking about legitimate public health concerns. Yet Americans and others outside China should not hesitate to express their horror. Even this late in the Chinese legislative process, constructive criticisms might yet have some influence.

The draft bill is entitled "On Eugenics and Health Protection," and some of the health protection goals are justifiable — for example,

discouraging women carrying the hepatitis virus from becoming pregnant before treatment. But others are scientifically absurd, like sterilizing those with conditions unlikely to be passed on to their offspring. The compulsory tactics envisioned by the draft are repugnant.

Reports of coercive abortion in the 1980s helped provoke a cutoff of U.S. financial support for Chinese family-planning programs. Regrettably, that cutoff did little to change Beijing's policies. Still, Americans are right to refuse to let themselves be associated with some practices. Coercive abortion is one, and eugenics is clearly another. And perhaps, in today's diplomatic climate, American protests might have more effect.

The Clinton administration has been trying to get the venom out of the U.S.-China relationship. Beijing has at least been willing to listen to suggestions about what it can do to help. The administration now needs to spell out to China its concerns about the offensive elements of the draft law and make clear the explosive impact it could have on U.S. public and political opinion. It needs to make clear to China that Americans think its scheme for preventing "inferior" people is wrong.

—THE NEW YORK TIMES.

## A Clear NATO Message To the Soviet Successors

By Sam Nunn

The writer, a Democrat of Georgia, is chairman of the Senate Armed Services Committee.

WASHINGTON — Fear of revived imperial Russian ambitions has led East European countries to seek protection via NATO membership. This fear has been heightened by the unexpectedly strong showing in Russia's parliamentary elections of the ultranationalist, racist — some say fascist — Vladimir Zhirinovskiy and his Liberal Democratic Party.

The main issue at the January summit meeting of the North Atlantic Treaty Organization will be the alliance's relationship with countries of the former Soviet Union and the Warsaw Pact. NATO has ruled out immediate membership for Eastern countries. In 1991, however, it did establish the North Atlantic Cooperation Council, a forum to which ex-Communist countries were invited for the purpose of promoting dialogue on security matters with NATO members.

The NATO summit will build on the council by formally endorsing the Partnership for Peace, a U.S.-sponsored initiative calling for NATO military cooperation with any interested non-NATO European state. While the Partnership does not entail the immediate extension of alliance security guarantees beyond the territory of NATO's current 16 members, it does envisage such cooperative military activities as disaster relief and peacekeeping operations, training exercises and planning. It also obligates NATO members to consult with NACC members who feel threatened by an external adversary, and implies eventual NATO membership for countries that meet as yet undefined political and military criteria.

Poland, Hungary, the Czech Republic and other ex-Communist states seeking full NATO membership hope that the Partnership is a transitional vehicle to full membership.

Others regard the Partnership as a clever device to stall prospective new members, at least until the highly volatile security environment east and southeast of Germany clarifies itself.

I believe the Partnership for Peace concept buys both NATO and prospective new members time to think through long questions about the ultimate character and scope of the Atlantic alliance. It also buys time to see how events in Russia play out. Russia remains Europe's most formidable military power. I believe that NATO's overriding objective in the coming months and years should be to foster a cooperative rather than a confronta-

tional approach to foreign policy by Russia and the other newly independent ex-Communist countries.

Many who favor early inclusion of Poland, Hungary and the Czech Republic in NATO cite what they believe to be the historical inevitability of a resurgent Russian imperialism. They may be right. But future generations will not forgive the United States and the West if they fail to make every effort to discourage the re-emergence of tyranny and militarism in Russia.

The alliance must decide how best to use the time and flexibility the Partnership provides to determine its future character as an alliance as well as its relationship with Russia. Because the two issues are inseparable, I believe a dual approach is warranted.

First, until such time as Russia's direction becomes more certain, the alliance should establish a Partnership framework that provides realistic political and military guidance to Eastern countries seeking NATO membership. Second, NATO should make it clear to aspiring imperialists in Russia that the choice between a cooperative and a confrontational relationship with the United States and NATO will depend on Russia's direction.

This message must go beyond the Russian government to the Russian people: A cooperative Russia will lead to a flourishing, mutually beneficial strategic partnership with the United States, whereas a Russia seeking the rapid extension of full NATO membership to selected former East European members of the Warsaw Pact.

New security obligations should never be undertaken lightly. Most of the discussions of NATO expansion so far have paid little attention to its military implications. And while NATO membership corresponds with significant political and economic benefits, the core of NATO is security.

If the Partnership for Peace is to provide beyond a vague concept by moving meaningful guidance, NATO summit leaders must address certain security realities.

First, NATO's eastward expansion should not be undertaken without a serious discussion of military strategy and resources. NATO membership does not automatically render one's borders and air space inviolate. Expanding the alliance against a backdrop of sharply declining NATO military means, and divorced from any defense strategy, could stimulate the

## After Breakneck Growth, Expect Neck Trouble

By Robert Elegant

BERLIN — Schadenfreude is bubbling through commercial circles in Germany. Not only are rival British companies being deprived of lucrative contracts in China, even better, the work is to go to German firms.

Beijing is punishing Britain for insisting on a modicum of democracy in Hong Kong before the colony reverts to China in 1997. Chinese authorities had declared that British companies would receive 80 percent of contracts worth \$1 billion to build a subway in the southern city of Guangzhou. Now, the Chinese say, Britain will get only 10 percent and Germany the rest.

When Chancellor Helmut Kohl returned from Beijing a few weeks ago proclaiming that he had secured orders worth \$1.8 billion for German industry, it sounded too good to be true. In fact, everything depends on breakneck growth continuing in China — and that is most unlikely.

It is problematical whether China's gross domestic product will continue to grow at the 13 percent pace attained in the last two years. A socially destabilizing inflation rate of over 20 percent can only be controlled by restraining expansion. And there are vast inequities between city and countryside in China, as well as between favored and neglected provinces. Such differences cause bitter social antagonisms that weaken the political and economic system.

Virtually every exporting country is vying in on China's hopes of exploiting an apparently inexhaustible market of 1.17 billion consumers. But realists are less sanguine about long-term prospects for trade and investment in China. They also fear what may happen to "market

socialism" when its architect, the paramount leader Deng Xiaoping, dies. He is 89.

Some of the worst errors of economic arise from linear projection — assuming that what has been happening will continue to occur at the same pace for a long time. In the case of China, optimists assume that 13 percent growth attained for two successive years will continue until the Chinese economy produces more goods and services than any other in the world, and China becomes an enormous market for foreign goods.

Yet, growth in China is more likely to decelerate than accelerate, for the base figure on which the percentage is calculated is getting larger. It is patently easier to register 13 percent growth if your base is worth \$5 billion than it is to maintain that pace if your base is \$15 billion.

Those who count on exploiting the China market should realize that it will import as little as it can. Not only the import of consumer goods, now necessary to placate popular discontent, but even the import of capital goods necessary to expand productivity will decline sharply in coming years.

Why should China buy when it can make the same objects or do without? It has always been thus. In 1839, the East of Amberst, glowing with optimism, told Hong Kong merchants that they could count on an ever-growing China market. Why, he said, if every Chinese should buy just one pair of stockings in a lifetime, the textile mills of England would be busy forever.

A few decades later, Shanghai imported an

entire machine shop from Connecticut. Yankee merchants rubbed their hands in anticipation. But they did not get another order that century. Instead, the Chinese victory of Shanghai ordered the machine tools copied.

Some of today's investors in China will make money. More will not. There is trouble ahead. Something is seriously wrong with a country that has had five major air crashes and 13 airline hijackings (to Taiwan) in a year. Discontent and incompetence go hand in hand.

This spring, Deputy Prime Minister Zhu Rongji was appointed economic czar of China. His first task was to cool an overheating economy. Yet, last month the Central Committee of the Communist Party passed resolutions that virtually repudiated Mr. Zhu's program of restricting credit, insisting on payment of debts, and releasing basic commodities from price control. The party went for nearly untrammeled growth, regardless of the inflation and the shortages certain to follow. And now authorities in Beijing have had to reimpose price controls on 27 stable commodities.

Chinese leaders clearly prefer the possibility of trouble tomorrow to the certainty of trouble today. By failing to implement Mr. Zhu's austerity measures, they are recreating many of the conditions that led to the pro-democracy demonstrations so savagely put down in 1989. They are also creating conditions that must lead to a major economic breakdown in the next few years.

The writer, a former Asia correspondent, is a fellow at the Institute of Advanced Study in Berlin. He contributed this comment to The Washington Post.

## Other Comment

### Butros Ghali and the Far East

The United Nations secretary-general's visit to China and Korea serves to launch UN policies that focus on the longer-term picture. The overall aim is to ease the crisis that surrounds North Korea's nuclear program, to avoid a confrontation in the Far East and to get China involved in responsibility for international security.

Butros Ghali underlined in Pyongyang that he had not come as a mediator, since the North Korean government insists on a direct agreement with Washington (on nuclear inspections) and rejects any form of mediation by a third party, even China, which, incidentally, is not pushing for such a role.

North Korea can continue its war of nerves with Washington, which has lasted more than a year. China does not want to see any more nuclear weapons in its neighborhood, but also refuses to put any kind of pressure on North Korea and therefore would block sanctions with a veto in the UN Security Council.

Mr. Butros Ghali, who explained in Pyongyang the latest American ideas for a compromise far international inspection of the seven nuclear installations of North Korea, is not interested in being seen in Asia as a force of support for America. He must strengthen his authority independently from the major powers in order to be able to function as an "honest broker."

—Die Welt (Bonn).



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## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1893: Murderous Crank

NEW YORK — The Mayor of Louisville, Mr. Tyler, has had a narrow escape from sharing the fate of the Mayor of Chicago at the hands of a crank. A man called yesterday [Dec. 26] at the City Hall and asked to see the mayor. He was finally invited to the mayor's private office and, stepping quickly forward, said: "I wanted a position on the police force, but you have denied my request. I am therefore going to kill you." He then drew a pistol and pointed it at the mayor's head. The latter struck the man's arm up and the shot went over his head. The crank was then knocked down.

### 1918: Vatican's Position

ROME — Monsignor Ceretti, who went to Paris to see President Wilson on behalf of the Pope, had three objects in connection with his mission, according to the newspapers. They were: justification of the Vatican's neutrality during the war and presen-

tation of documents on the subject; recognition of the value of the humanitarian work of the Vatican in prisons; asking the mediation of President Wilson in view of regulating the situation of the Vatican; safeguarding the interests of the Church in Poland and in Turkish territory, especially in Palestine.

### 1943: Victory by 1944?

ALGIERS — [From our New York edition:] The Allies will win the European war in 1944 if everyone "all the way from the front line to the remotest hamlet" does his full duty. General Dwight D. Eisenhower declared today [Dec. 27] at a breakfast meeting with American and British correspondents before leaving for his command in Western Europe. The man who will direct the all-out invasion of Germany spoke with such assurance that he left no doubt he was confident of complete support of the war front by the home fronts in Great Britain and the United States.

1950 من الأصل







# Former Neo-Nazi Emerges From His Bunker With Advice for Germans

By Rick Atkinson  
Washington Post Service

BERLIN — His jacket and boots are, of course, black leather, his eyes the requisite blue, his hair a spiky blond. He sports double earrings in the left lobe and smokes American cigarettes. He is slender and very tall. His skin has a pale, waxy translucence, as though he spent the past few years in a bunker.

Ingo Hasselbach still resembles the neo-Nazi he recently renounced. But the former chairman of the extremist group National Alternative has emerged, avowedly weary of the violence and hatred, to bear witness to danger from the radical right.

Now on the run because of threats from the former comrades he forswore, Mr. Hasselbach, 26, who has published a book, "The Reckoning," in which he offers insights into the origins, structure and philosophy of the rightists whose violence has plagued Germany since the reunification three years ago.

Mr. Hasselbach accused German politicians, particularly Chancellor Helmut Kohl, of a tardy, tepid response that emboldened the far right. He said he believed the German justice system "is partially blind in the right eye" — not cracking down on neo-fascists with the alacrity it displayed against the radical left in the 1970s. He ticked off the political ambitions of the radical right: a return to

the 1937 borders of the Third Reich; participation by currently banned parties in electoral politics; eventual establishment of a totalitarian state.

Perhaps most chilling was his assertion that "the Scene," as the far-right movement is known, is much better organized and interconnected than most Bonn officials acknowledge. German groups have stockpiled arms and explosives, built a computer network and established links to rightist radicals in Spain, Austria, Denmark, the Netherlands, Russia, Finland, South Africa and the United States, he contended.

"The groups have been intertwined since the beginning," Mr. Hasselbach said. "This intertwining has been planned for years."

The right remains superficially divided, he added, in part to make infiltration more difficult and because banning small organizations is harder for the government than outlawing a single large one.

An indication of international ties emerged again last week when the Russian ultranationalist, Vladimir V. Zhirinovskiy, met in Munich with Gerhard Frey, leader of the German People's Union. They reportedly advocate carving up Poland and the Baltic States in a German-Russian alliance.

The German internal intelligence service estimated that about 42,000 people belong to 82 "right-wing extremist

organizations," up from 40,000 members and 76 groups in 1991. Another 25,000 belong to the far-right Republicans Party, headed by a former member of the SS, Franz Schönhuber.

A half-dozen rightist parties have been banned in the past year. The intelligence service said violent crimes linked to rightist assaults dropped 28 percent in the first 11 months of this year compared to the same period last year. They note that two assaults recently convicted in the arson killing of three Turks in Mölln were given prison sentences, evidence of new toughness by judges and prosecutors.

Yet a sampling of police reports from a recent weekend suggests such attacks remain pervasive: A Jewish cemetery in Worms was desecrated; rightists rampaged through youth clubs in Brandenburg, shouting "Heil Hitler!"; a house occupied by Turkish workers in Darmstadt was firebombed; a bomb sent by what police called "racist attackers" blew off the hand of an Albanian living in Germany.

By Mr. Hasselbach's account, such actions reflect a strategy of destabilizing German democracy while trying to purge the country of "unwanted" elements. To date, the far right has failed to mobilize a significant political following, largely because it has no single leader to rally around. "The Scene doesn't have a leading personality

now. People are waiting for a future," Mr. Hasselbach said.

Mr. Hasselbach's background is not unlike that of others who have drifted to the fringes of German society. He grew up in a broken home in East Berlin; his mother and stepfather were journalists and ardent Socialists. Rebellious against the oppressive strictures of East German totalitarianism, he became a hippie, then a punk. He discovered a certain pleasure in beating up people. At 19, he was sentenced to a year in prison for following "The Wall must go!" But it was less a political statement than a drunken rant of protest.

Released in October 1987, he worked as a bricklayer and returned to the skinhead world. He was caught trying to flee East Germany and imprisoned for several months, then escaped to West Germany three days before the Wall fell in 1989.

Two months later, he met the man many neo-Nazi believe might be their new Führer — Michael Kühnen, a leader of the radical right for more than a decade. Mr. Kühnen was a closet homosexual whose death of AIDS in 1991, fragmented his following. A year earlier, in January 1990, with Mr. Kühnen's encouragement, Mr. Hasselbach had founded National Alternative.

In the chaos of 1990, between the collapse of East Germany and reunification, the radical right began to thrive and National Alternative grew to 200 members.

There were war games in the forest and buying of arms from departing Soviet soldiers. Financing, Mr. Hasselbach says, comes from secret donors, including sympathetic West Germans, and journalists who pay for interviews.

Mr. Hasselbach described some of his fellow travelers as unwashed misfits looking for camaraderie; others seem simply crazy, such as those who wander World War II battlefields, listening for the voices of dead SS soldiers.

He described his own contacts with Dutch and Spanish counterparts and meetings with Gary Rex Lemck, a purveyor of Nazi propaganda who lives in Nebraska. "Lemck," Mr. Hasselbach wrote, "remains constantly in touch with all of the most important Nazi leadership cadres throughout Germany."

Also important to the Scene are veterans of Germany's World War II military, true believers who act as advisers and provide ties to the past.

Mr. Hasselbach said that for him, the Scene began to wane this last year. The isolation and in-breeding of his small world was penetrated by a documentary filmmaker, Winfried Bonengel, whom he credits as an articulate anti-fascist who caused him to question his neo-Nazi beliefs.

Growing violence by rightist thugs also began to prey on him, he said.

Last March, he publicly renounced his affiliation with the right and went into hiding.

## Peres Takes Hard Line in New Talks

CAIRO — Israel and the Palestine Liberation Organization began a third round of talks at a secret location here Monday night to remove hurdles in the way of an Israeli withdrawal from the occupied Gaza Strip and the West Bank city of Jericho amid limited expressions of optimism.

"We came to translate the agreement of principles into a new reality," said the Israeli foreign minister, Shimon Peres, shortly after he arrived in Cairo on Monday.

Mr. Peres was to meet with the chief PLO negotiator, Mahmoud Abbas.

But Mr. Peres warned in remarks published Monday in the Israeli daily Yedioth Ahronoth that he expected the PLO chairman, Yasser Arafat, to make concessions. Israel, Mr. Peres said, was "not bringing anything new" to the negotiations.

Two rounds of talks in Cairo and Paris earlier this month failed to bridge major differences on key issues, the most important of which is whether Palestinians can be allowed to control the entry and exit to the Gaza Strip and the West Bank. There were also differences over the size of the area to be evacuated by Israeli troops in Jericho, and over security arrangements for Jewish settlers in Gaza and Jericho.

4 Fatah Aides Resign

At least four senior officials of Mr. Arafat's El Fatah movement in the occupied territories have resigned on the eve of the renewed peace talks with Israel in Cairo, Reuters reported on Monday from Jerusalem.

"The Palestinian negotiations are being run the wrong way," said Sami Abu Smbadana, chief of El Fatah's Gaza Strip office, who resigned along with Jassim Dik, a senior West Bank Fatah leader.

The sources said two other Fatah leaders had also resigned: Tawfik Abu Khousa, a Fatah delegate to the unified command of the Palestinian uprising, and Zakaria Jamal, head of the Gaza Arab Journalists Association.



Security forces inspecting damage at the Fintona police station in Northern Ireland after a blast Monday that ended the IRA truce.

## IRA Mortar Blast in North Ends Holiday Truce

REUTERS

BELFAST — An IRA mortar attack that came just 16 minutes after the end of a 72-hour IRA holiday truce wounded two civilians Monday at a rural police post at Fintona.

In a BBC interview recorded last week, Foreign Secretary Douglas Hurd of Britain warned of a security crackdown on the IRA if it failed to endorse a 12-day-old British-Irish peace plan aimed at ending the violence. Mr. Hurd urged the Irish Republican Army to end its 25-year war against British rule of Northern Ireland to win a place at new talks under a British-Irish initiative.

"If you are not going to go for that at the present time then security measures against you will be intensified and you can expect no letup on that front," he told the BBC.

It was the clearest signal to date that the British government planned stiffer security measures if the IRA rejected the plan unveiled by Prime Ministers John Major and Albert Reynolds on Dec. 15.

Initial optimism that the plan might end violence that has killed 3,000 in 25 years has dwindled because the IRA's political wing, Sinn Fein, says the plan does not go far enough towards uniting the British-ruled province with Ireland.

## Coping in Eastern Germany As Old Ways Die, New Paths Are Explored

By Stephen Kinzer  
New York Times Service

ALTDORF, Germany — In this 750-year-old village carved out of the dense forests of eastern Brandenburg, game is so plentiful that hunters can fill orders for deer and wild boar in a matter of hours.

The nearest city is Cottbus, 20 miles (32 kilometers) away, and Dresden is 40 miles to the south. Life was very quiet here until the 1930s, when machines began tearing up the countryside to extract coal that lies in thick deposits not far below the surface.

During the Communist era, this coal stoked homes and factories throughout Eastern Europe. In Altdorf, a community of 3,800, two-thirds of the workers were connected to the coal industry. But the collapse of the Communist alliance, and the access to more efficient Western producers and alternative fuels, has meant slow death for the industry.

Old ways are dying too, and the challenge to those in Eastern towns like Altdorf is to adapt to the drastic and sometimes frustrating changes brought about by unification. Many people say they feel betrayed, especially by economic failures, but others are finding new ways to cope, and even to thrive.

In 1989, the last year of Communist rule, 2,100 people worked at the mine, whose main pit covers 8,500 acres (about 3,400 hectares). Now fewer than 500 jobs remain, and they will be cut to 350 by the end of the year.

Paul Hartelt, who heads the shrinking Laubog union local, is trying to ease the shock.

"Half of the workers at our mine have been forced into early retirement," he said. "About 150 others have jobs in the reforestation project, planting trees and filling up pits. Some families have simply given up and moved to the West. It's a very tough situation, especially for the older people. They feel sold out and abandoned. Sometimes people who have lost their jobs yell at me on the street. I tell them it isn't my fault, but that doesn't make them feel any better."

"They think Western coal companies are manipulating the industry to destroy possible competitors," he said, "and there's some truth to that. We have enough coal here to keep the pits open until 2015, but politicians in Bonn aren't interested in looking for ways to keep people here working."

This has built up a lot of resentment, and it's going to have a political effect. Many people here won't vote at all, and others will vote for far-right parties as a way of showing their anger. They don't think about what would happen if those parties come to power."

In addition, nearly all the town's farms have gone bankrupt in the face of cheaper competition from Eastern countries. Only 30 people now make their living from agriculture, down from more than 300 a few years ago.

Later years, wealthy industrialists. In 1938, the Nazis forced the castle's owner, a Jewish cigarette manufacturer, to sell it to a non-Jew. The new owner was in turn expelled by the Communists, who used the castle for a variety of purposes, including an electronic center from which the secret police tapped telephones in the region.

"As lawsuits and negotiations dragged on, a series of potential investors abandoned their plans to build an elegant hotel or other attraction in the castle. The battles recently ended after three years, but plans for the castle are uncertain. A foundation sponsored by the state government hopes to transform it into a music school."

Altdorf has been spared the plague of rightist and neo-Nazi violence that has spread across Germany since unification.

Since a restrictive asylum law took effect in July, the 300 asylum-seekers from 12 countries who were housed in Altdorf have left, either for other communities or for their homelands.

Mr. Thierbach waded to avoid violence by meeting with groups of rightist youths in the area and talking them and local schoolchildren to tour the hotels and see the crowded conditions.

The local youth club has also remained open. These clubs attracted young people during the Communist era, and their disappearance in many towns deprived them of a place to go.

"Although there has been no racist assaults in Altdorf, petty crime has sharply increased, as almost everywhere in the former East Germany." The rate of break-ins, car thefts and similar crimes has increased by 140 percent since 1989. The mayor said the town needed two more police officers, but all it has is one from a nearby town two days a week.

"It's difficult because some people have in adjusting to post-Communist life is clearly evident at Altdorf's grammar school. One of the teachers, Helga Schmidt, was a militant member of the Communist Party, and students said she often discriminated against churchgoers and others who did not share her ideology. She has been allowed to remain on the faculty, and has even been elected to the town council as a representative of the Socialists, successors to the old Communists. But she is still disliked by many of her neighbors, and she understands why."

"I was educated from childhood as a socialist," Mrs. Schmidt recalled. "I always accepted party discipline, and when I saw things that didn't seem right, I kept quiet. I didn't have the courage to speak up, to ask why we weren't allowed to teach certain things. I kept my mouth shut. Now I realize that was wrong. But if I'm guilty, isn't everyone who lived in East Germany guilty, except for the people who went to jail or really suffered?"

One of Mrs. Schmidt's longtime colleagues, Monika Kruger, has become principal of the school where they both work. That could never have happened before because Mrs. Kruger had refused to join the Communist Party and insisted on being married in a church, defying the government's official atheism. Because of her nonconformist views, she was prevented from pursuing a career as a physicist.

"What a lot of people saw as normal, I didn't," Mrs. Kruger said. "I am totally grateful for this change. We can do so many things that we couldn't do before."

## PANDA: Future More Black Than White for World Conservation Symbol

Continued from Page 1

\$10,000 on black markets in Hong Kong, Taiwan and Japan.

World zoos pay \$1 million a year to rent a pair of pandas, increasing zoo revenues but, some critics charge, disrupting the panda's breeding cycles.

Because of the animals' enormous popular appeal and the amount of money involved, the politics of panda conservation are vicious.

"It's the worst politics of any endangered species I've worked with," said Devra Kleiman, assistant director for research at the Washington National Zoo.

An ambitious drive is under way to China and abroad to save the panda. After four years of consideration, China has finally approved a \$100 million, 10-year plan that would double the number of panda reserves, find new jobs for state timber workers who log in the reserves, relocate peasants and establish "green corridors" to link up isolated breeding areas.

The World-Wide Fund for Nature, known in the United States as the World Wildlife Fund, is organizing a meeting in Geneva next month to raise money from international development agencies for the Chinese plan.

In February, the American Zoo Association hopes to outline its strategy for raising "tens of millions of dollars" for panda conservation, using long-term breeding loans that would bring the animals back into American and Canadian zoos, according to Michael Hutchins, the association's director of conservation and science.

The only panda in the United States is the Washington National Zoo's Hsing Hsing — the surviving male half of a pair given by China to the American people in 1972.

It is uncertain, however, if these measures are in the best interest of the panda, and if they can be funded and put into practice.

The American Zoo program for long-term breeding loans to North American zoos could encourage the Chinese to take pandas out of the wild, where conservation efforts should be concentrated, according to the biologist George Schaller, who conducted pioneering research on China's wild pandas from 1980 to 1985.

Ultimately, because pandas are native to China, the Chinese have to save the animal. Some skeptics accuse the Chinese of trying to use their singular position to bully other countries and international organizations into going along with Chinese projects, even though money raised in the past has not always been spent on panda conservation, sources said.

Many people here don't know how to deal with the new situation.

Jutta Thierbach, A boutique owner

Mr. Thierbach also has plans for a tourist complex where coal was once mined. He envisions about 120 vacation cottages built around a large artificial lake, with sailing, windsurfing and other recreations.

The scenic Spreewald, a region of marshes and slow-running rivers, is only a few miles away. A renovated hotel in the center of Altdorf is often full, and the owner of a larger one, formerly a training center for schoolteachers, is negotiating for a loan that will allow him to bring it up to western standards.

Developing the town's economic potential has been complicated by the maze of claims on properties expropriated by the Nazi and Communist governments.

Mr. Thierbach can point to homes, businesses and entire neighborhoods that have been affected by these claims.

A movie theater and hotel on the central square is still stub, its facade crumbling, because a former owner insists on having it back although he signed an agreement to sell it three years ago, when prices were much lower.

The town's best-known and most valuable property is the 100-room castle built in 1717 and owned by a succession of noble families and, in

South Africans Clash on Beach

JOHANNESBURG — Dozens of people were hurt in brawling between blacks, whites and Indians on a beach in South Africa's port city of Durban, the police said Monday.

Fighting broke out Sunday afternoon after a white man shot at a fleeing mugger. He missed but hit a black. At the same time, a man died of a heart attack nearby.

"Although unconnected, the incidents caused crowds of people to become very unruly and they vented their anger on policemen on the scene," a police spokesman said. The police broke up fights between blacks and whites and then between black and Indian crowds, a witness said.

## Italy to Seize \$10 Million Tied to '83 Bank Failure

AREZZO, Italy — A judge on Monday ordered the seizure of assets worth \$10 million from the former grand master of an outlawed Italian Masonic lodge, investigators said.

The judge granted a seizure request made by magistrates investigating the finances of Licio Gelli, former head of the banned Propaganda Due, or P-2, lodge.

The inquiry, which began 18 months ago, found that Mr. Gelli held assets well beyond his means, investigators in Arezzo, his Tuscan home town, told a news conference. They said Mr. Gelli tried to hide funds in complicated cross-border transactions that included investments in companies and real estate.

Mr. Gelli was arrested in Switzerland in 1983 when he was alleged to be trying to withdraw tens of millions of dollars from an account managed by South American subsidiaries of the failed Banco Ambrosiano.

He was extradited to Italy four years later to answer reduced charges of slander and false representation.

Italy to Seize \$10 Million Tied to '83 Bank Failure

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55 من الأصل



Style

Muu-Muu Caper:  
Dressing for  
New Year's Eve

By Emily Prager  
New York Times Service

NEW YORK — New Year's Eve is a heady time. It's the evening we make the transit from the life of last year to the life of next year, when, if hope has faltered, hope is renewed. It is a magical night, the closest that we come in living to mortality, in that it involves a passing away, a passing over and a rebirth of sorts. There is grief, nostalgia, some mourning perhaps, a making of peace, a wakeful revelry, and finally, a passage in hope and trepidation into the unknown.

The question is what to wear for it. I wanted to dress like an angel. It was a strange impulse, perhaps brought on by all the sheer things I saw at the fall collections, or by constant sightings of the "Angels in America" angels whom I love. Perhaps it was envy of the fashion magazine angels, or the news magazine angels. I wanted glitter, lots of filmy material and an out-of-body experience. I wanted to rise up, look down and get some perspective on millennial matters. So I bought a pair of wings (\$12) and went shopping.

*It's a magical night and she wants to look like an angel.*

My first stop was a charming little store which, this year, is filled with turn-of-the-century echoes — puckered velvet evening bags, chenille boas and beaded lace. There I found a green rayon chiffon angel dress with broomstick pleats and velvet flocking (\$160) that made me hover.

As I floated around the store, I pondered the past and the future. That afternoon, I had visited the library and looked up 1894 in newspapers and in *Time* tables of history to see, I suppose, what we might learn from it.

It was the year dog catchers were abolished in New York City, the Dakota apartment building was completed, the first mansions were built on Fifth Avenue. Congress passed the first graduated income tax law. Nicholas II became the last czar of Russia. Dreyfus was convicted in France. Korea and Japan declared war on China and President Sadi Carnot of France was assassinated by anarchists.

I proceeded to a most lovely antique clothing store, virtually levitating on history. There, I discovered a 1930s silk chiffon, Ginger Rogers dancing dress with silver-sequined bodice to pass over for (\$150). It looked superb with wings, as did a pair of Myrna Loy lounging pajamas in royal blue and white satin (\$125).

As I waited out the door and up the avenue, I marveled at how everything that we now take for granted as entertainment was introduced in 1894. The United States Golf Association was established. *Comix* first appeared in Sunday newspapers. Edison opened his first Kinetoscope Parlor in New York. Louis Lumiere invented the cinematograph. Bedliner first used a horizontal gramophone disk instead of a cylinder for sound reproduction. Marconi built his first radio equipment.

Visions of art circled my head. In 1894, Beardsley illustrated Wilde's "Salome." Toulouse-Lautrec painted "Au Salon de la rue de Moulins" and produced lithographs of Yvette Guilbert. Alphonse Mucha prepared the art nouveau poster of Sarah Bernhardt. Kipling published "The Jungle Book." Du Maurier created Svengali in his novel "Trilby." Anthony Hope published "The Prisoner of Zenda."

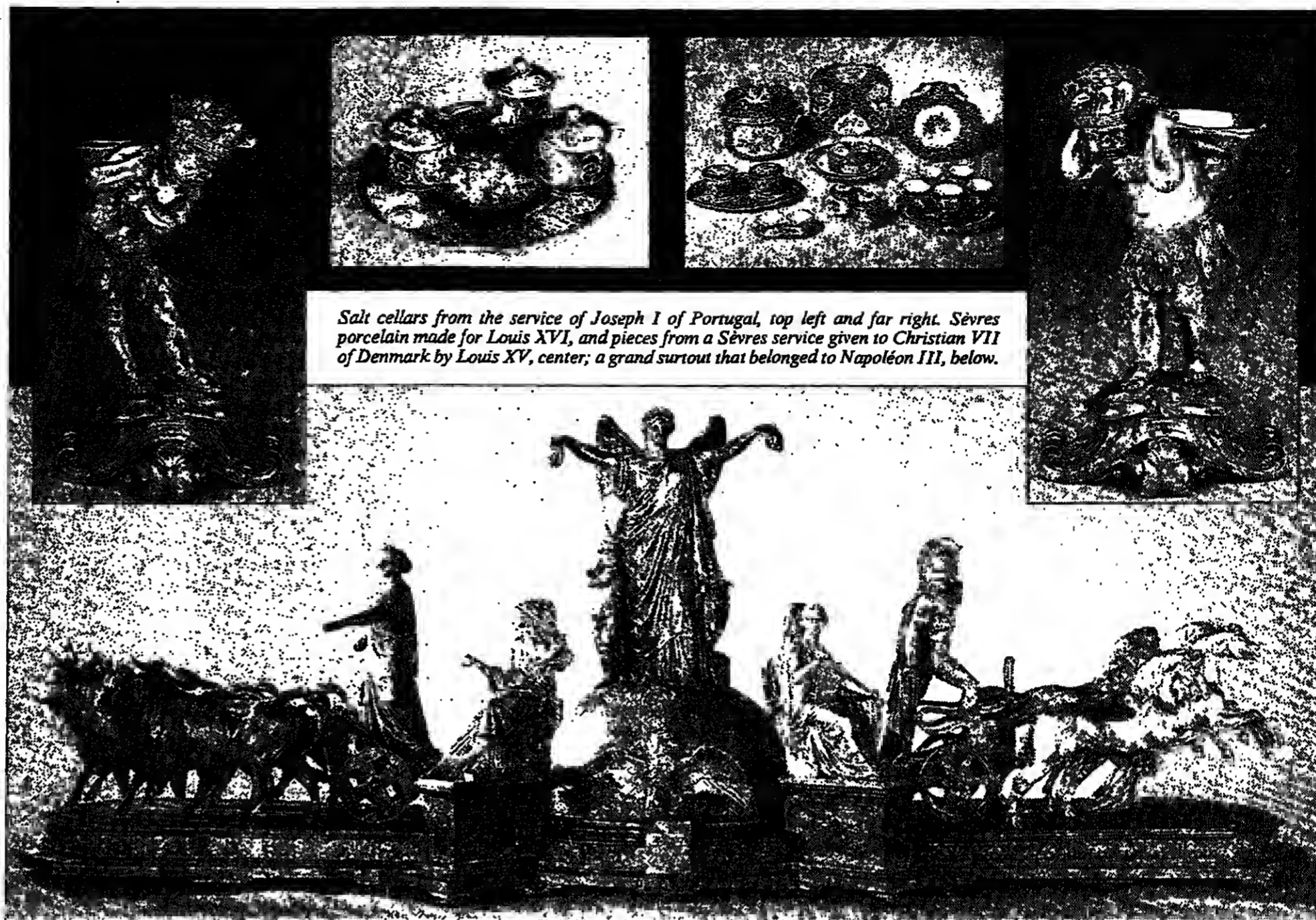
It was only a short flight to my favorite secondhand clothing store, but as I took it, I thought of science and music. In 1894, haploid and diploid chromosomes counted, the baritone plange baculum and Homo erectus were discovered. Diesel invented the diesel engine. Debussy wrote "L'Après-Midi d'un Faune." Sibius wrote "Fidelmia."

In all, I mused, as I undulated into the perfect angel robe, a beige-chiffon nurse-wish with sequined collar and cuffs at the celestial price of \$35, it was a year when our present began to be begun. It remained for me to purchase my angel robe, which I did, folding my angel wings and placing them carefully in my shopping bag to be retrieved on New Year's Eve.

ON Dec. 31, I will dress as an angel and watch the ball drop on television. I will ponder interactive television, the 500 channels, the latest fusion experiments. I will worry about Bosnia, North Korea, South Africa and crime. I will consider seriously the electric car and computerized art, and I will think on the state of women.

One hundred years ago in March, a group of English ladies resolved that men had encouraged women to be military hospital nurses "only in order to keep them from bearing arms and thus demonstrating their equality with men." According to *The New York Times*, they held a meeting in England and "organized a company of volunteers for purely fighting purposes." They decided on a uniform of "dark blue tunics, knickerbockers and stockings, and would be armed with 'a rifle and a sabre bayonet, as well as with 'a mousqueton capable of catching cold, simultaneous snice.'" The proposal to carry a cat was voted down as "impracticable."

Oh, well. In the next century. Happy New Year!



Salt cellars from the service of Joseph I of Portugal, top left and far right. Sevres porcelain made for Louis XVI, and pieces from a Sevres service given to Christian VII of Denmark by Louis XV, center; a grand surtout that belonged to Napoleon III, below.

When Elegance Ruled at Europe's Royal Tables

By Jean Rafferty

VERSAILLES, France — When it comes to the art of dining out, the French have long reigned supreme. But as a new exhibition proves, French preeminence in the arts of the table began by dining in, at the Versailles table of Louis XIV.

The exhibition, "Versailles et les Tables Royales en Europe," at the Château de Versailles until Feb. 27, is an assemblage of the surviving masterpieces in French silver and gold tableware and Sevres porcelain made for and inspired by the dining style of French royals — a style that set the fashion for the rest of Europe from the 17th to the 19th century.

For Louis XIV's public suppers — *les soupers au grand couvert* — royal craftsmen surpassed themselves to provide exquisite silver and gold services worthy of the Sun King. Foreign ambassadors reported back to their sovereigns and soon the refinement of Louis's table was envied of all the princely courts of Europe, who lost no time in ordering their own magnificent French services. Later, when Louis XV ordered the first royal porcelain service from the future Royal Manufacture of Sevres, it provoked another fashion furor.

Few of the originals actually used at Versailles survived. The French kings were notoriously casual with their silver and

gold services, melting them down to pay for wars or to be recast in their own versions. The fragility of porcelain and the French Revolution took care of the rest.

Fortunately, despite their own wars and revolutions, foreign monarchs — and their democratic or communist successors — were more successful in hanging on to their French treasures.

The story of how the organizers succeeded in assembling such magnificence is as heroic as the show itself. Catherine Arminjon, curator of French patrimony, discovered Napoleon's Egyptian service forgotten in a museum storeroom on one of her seven trips to Russia. It was exhibited to the Russian public for the first time just before being sent to Versailles.

The list of lenders for this exhibition is straight out of the Gothic: Queen Elizabeth II of England, Queen Margarethe of Denmark, King Carl XVI Gustav of Sweden, plus the extraordinary collections of three Russian museums (the Hermitage, Kremlin and Kuskovo) and several in Portugal.

Beginning with a 10-meter (32-foot) tall column of light that recreates a royal centerpiece of 1674, the magnificence of dining in Versailles has been set in scene by Italian set designer Pier Luigi Pizzi in the newly restored Africa and Crimea rooms of the chateau. Their renovation, which provided the Château de Versailles with a much-needed temporary exhibition space, was sponsored, as is the show itself, by

LVMH (Moët Hennessey Louis Vuitton) to mark the 250th anniversary of Moët et Chandon champagne.

Each piece on show is a *tour de force* to the virtuosity of dynasties of French silversmiths like the Germains, the Roettiers, and the Augustes, and the talent of generations of Sevres artists, but certain services stagger the eye and provide a fascinating insight into the incredible splendor of royal lifestyles. Several paintings on display also provide clues to royal dining habits.

If it all seems like dining in a play, it was. At the royal table of Louis XIV, conversation was at a minimum. Not surprising when one reads his sister-in-law's account of the king's usual consumption: four plates of soup, an entire pheasant, a partridge, salads, ham, mutton with garlic, a plate of *potée*, fruit and then hard-boiled eggs. Eating well was a sign of opulence and almost the king's duty.

The advent of porcelain on royal tables marked a move away from the strict protocol of grand *couvert* meals. Louis XV ordered his first fabulous "celestine blue" service of soft-paste porcelain in 1753-55 from the factory that became renowned when it moved to Sevres in 1756. It was used for informal suppers he liked to take after the hunt with his nobles and mistresses.

Louis XVI and Marie-Antoinette, who much preferred dining in private, reduced public meals to Sundays and holidays. On these formal occasions, Marie-Antoinette wouldn't even remove her gloves, much less dine. At the queen's insistence, Louis XVI began giving "society suppers" when distinguished, though nonroyal guests would be invited to dine in their private dining room. The splendid *grand service* he ordered from Sevres in 1783 — each plate decorated by a painting on themes of mythology and ancient history — was designed for these entertainments.

The presence of these two services at the exhibition, back at Versailles for the first time in almost 200 years, is especially poignant. The 44 pieces of Louis XV's first porcelain service were loaned by the duke of Buccleuch from the collection that has been in his family since 1830. The Grand Service of Louis XVI, the most celebrated of all the king's Sevres porcelain, was never completed due to the Revolution, but 115 pieces were sold to England's George IV by the revolutionary government and the pieces on show here were lent by Queen Elizabeth II.

The success of the Sevres porcelain factory provided a fertile source of diplomatic gifts for both Louis XV and XVI, and a room at the show is devoted to them.

Though Napoleon reportedly found dining a bore, he understood the prestige of a sumptuously-set table. His grand *vermeil* service escaped the meltdown and includes the only surviving boat-shaped *nef* and *cadinet*, which contained the king's napkins, cutlery and tests for poisons, and were symbols of the power meal on kingly tables from the 14th century on.

The emperor also understood the power of the extravagant gift. His present to Czar Alexander I, the Sevres Egyptian Service illustrated with scenes of his Egyptian campaign and its astonishing biscuit centerpiece of temples, pharaohs and sacred rams, is one of the highlights of this glittering show and another trump from the Russian museums.

AFTER Napoleon, royal dining etiquette was simplified to the service used at most formal dinners today when serving dishes are presented to each guest successively. Porcelain gradually replaced silver and Baccarat crystal glassware appeared on tables liberated from the crowd of serving dishes. The affection for the grandiose centerpiece continued unabated, however, demonstrated in the surviving bits of Napoleon III's silvered bronze *surtout* that closes the exhibition. Dull and scorched from the fire that destroyed the Tuilleries Palace in 1871 during the Commune uprising, it is a reminder that royal life was not all splendor.

Jean Rafferty is a Paris-based journalist who specializes in design and lifestyle.

In a Fashion Princess's Kingdom

By Georgia Dullea  
New York Times Service

NEW YORK — The dark green Jaguar was on its weekend run from Fifth Avenue in Manhattan to the hills of Litchfield County. Behind the wheel, a woman with major checkbooks and a quirky European accent was talking about holidays in Connecticut.

Not the 1940s movie "Christmas in Connecticut," in which a magazine writer (Barbara Stanwyck) and a war hero (Dennis Morgan) find love under the mistletoe — not that celluloid chestnut.



Diane von Furstenberg

No, this was a real-life "Christmas in Connecticut" for the '80s, in which a fashion designer who used to be a princess (Diane von Furstenberg) becomes the queen of the QVC home-shopping channel. She decks the halls of her country estate with evergreen swags and old beaux. "If you've loved somebody," she said, "they always remain part of your life."

The ranking old beau (Barry Diller) is an entertainer himself (As the chairman of QVC, he's trying to take over Paramount Communications, and she has a piece of the action. But that's another movie.)

Also spending the holidays on the designer's 100-acre (40-hectare) spread, Cloudwalk Farm, will be her former husband, the prince (Egon von Furstenberg). She refers to him as "my first husband," though she has been married only once. She describes their children (Alexandre, 23, and Tatiana, 22) as "my best patients."

On New Year's Eve, von Furstenberg will turn 47. She has certainly had a long run, as these things go, probably because of this itch she gets every few years to reinvent herself.

Right now, the thing is selling her silk sportswear on QVC and posing

on the sofa with Diller in his suite at the Waldorf-Astoria as the photographer Annie Leibovitz snaps them for Vanity Fair's "1993 Hall of Fame." Von Furstenberg is a contributing editor of the magazine.

Remember the wrap dress? Surely no woman over 40 has forgotten. A Belgian-born designer who studied economics at the University of Geneva, von Furstenberg was just 25 in 1972 when she created a little jersey dress. She just knew it would lure American women out of pantsuits. Four years later, she had sold 30 million of the dresses to women of all ages, shapes and incomes, and she was on *Nesweek's* cover.

The wrap dress lives — and not just in costume collections and thrift shops. Sometimes when von Furstenberg is giving a talk out of town, a woman in the audience will walk up, throw open her coat — and smile. "I love seeing those old dresses, those old friends," she said in the car. But she added, "I don't want to be somebody who did something when she was 25."

Her idea of not living in the past is doing a "Midnight Special" on QVC, moving 12,000 of her silk

shirts, at \$59.95 each, in less than 20 minutes.

Von Furstenberg went on to talk about her strange and enchanted existence in the '80s. "I was four and a half years with Paolo and four and a half years with Alain," she said at one point. "That's my quote."

Paolo was a Brazilian art dealer with whom she shared a bamboo hut by the beach on the island of Bali. The intrigue inspired her to create a perfume, *Volcan d'Amour*, and to decorate her Fifth Avenue offices with Balinese artifacts, including a flock of wooden geese. The geese remain, but Paolo has flown. "He's the only one I'm not still close to," she said.

After Bali came Paris, where she set up a literary salon and founded a publishing house, *Savoy*. "Writing is the one art I am most sensitive to," she said. "I have a weakness for writers." In particular, there was the novelist Alain Elkann, with whom she shared an apartment on the Left Bank.

In the '80s, the DVF signature sold more than \$1 billion worth of licensed products — everything from eyeglasses to huggies. The royalties were rolling in, she said, but her label was being ruined by the manufacturers.

"They were doing junk," she

said. "I tried to talk to them, but they wouldn't listen. I could tell they thought: 'She's a has-been. What does she know?'"

Her voice grew edgy as she described how she did what few designers have managed to do. "I decided to bite the bullet and take back my name," she said. "In some cases, I had to buy it back; in some cases, beg it back, all kind of ways. My accountant was not happy, but it was worth it to be back in fashion and beauty."

She sighed. "Those years from '89 to '92 were very difficult. I ate a lot of humble pie."

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# NYSE

Monday's Closing  
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High Low Open Close

Symbol	High	Low	Open	Close
IBM	115.25	114.50	115.00	115.00
MSFT	45.50	45.00	45.25	45.25
ORCL	45.00	44.50	44.75	44.75
INTL	11.50	11.25	11.37	11.37
DIS	34.50	34.25	34.37	34.37
WMT	45.00	44.75	44.87	44.87
AMZN	45.00	44.75	44.87	44.87
GOOG	115.00	114.50	114.75	114.75
MSFT	45.50	45.00	45.25	45.25
ORCL	45.00	44.50	44.75	44.75
INTL	11.50	11.25	11.37	11.37
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AMZN	45.00	44.75	44.87	44.87
GOOG	115.00	114.50	114.75	114.75

THE TRIBUNE

هكذا من الأمل



### THE TRIB INDEX: 111.10

International Herald Tribune World Stock Index, composed of 280 internationally investible stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

12/27/93 Close: 111.10
12/22/93 High: 111.10
12/22/93 Low: 111.10

Approx. weighting: 32%
Close: 114.96 Prev: 116.03

Approx. weighting: 37%
Close: 117.20 Prev: 116.78

Approx. weighting: 28%
Close: 97.40 Prev: 96.58

Approx. weighting: 5%
Close: 123.10 Prev: 121.53

Ind. Sctor	Max. Close	Prev. Close	% Change
Energy	110.78	109.69	+0.98
Utilities	117.25	117.68	-0.37
Finance	113.09	114.07	-0.86
Services	119.71	119.50	+0.18
Capital Goods	111.54	111.40	+0.13
Raw Materials	113.15	112.64	+0.45
Consumer Goods	99.14	98.55	+0.60
Miscellaneous	133.03	133.25	-0.17

## Viacom Weighs New Bid

### Will Redstone Pay the Price?

By Geraldine Fabrikant  
New York Times Service

NEW YORK — Sumner M. Redstone, the chairman of Viacom Inc., can't pay investors to raise his offer for Paramount Communications Inc., but if he does, he may face costly hurdles from both his equity partners and Paramount's board, according to media analysts.

"It's a tough call for Sumner," said David Londoner, an analyst at Wertheim Schroder & Co., adding that even if Mr. Redstone can get the money, he has to decide whether Paramount is worth it.

Last Wednesday, Viacom Inc. lost an important point when the Paramount board approved a bid from QVC Network Inc. that included roughly \$5.5 billion in cash, compared with Viacom's current bid, which offers \$5.1 billion in cash.

Both bids also include stock, bringing QVC's total to \$10 billion and Viacom's to \$9.6 billion.

An executive close to Viacom said there was no problem getting more money if the company chose to continue the fight. Over the holiday weekend, Viacom continued talks by telephone with its equity investors, Blockbuster Entertainment Corp. and Nynex Corp., according to people close to the discussions.

But even as reports circulated that Nynex would add to its \$1.2 billion investment in Viacom, several industry observers said they doubted Viacom could get additional funds on the same terms it struck with its partners last fall.

Last September, Blockbuster and Nynex agreed to buy convertible preferred stock in Viacom with a 5 percent dividend that could be converted to Viacom class B non-voting stock at \$70 a share. Blockbuster put up \$600 million.

At that time the shares were trading at about \$53 a share. On Thursday, the day after the QVC bid was approved, the Viacom shares closed at \$46.75, and on

## Busing Against the Odds

### Mexican Vehicle Maker a NAFTA Star

By Anthony De Palma  
New York Times Service

MEXICO CITY — Four years ago, the government got rid of a state-controlled company that lost \$25 million a year by turning out smoky buses and trucks that were barely able to climb Mexico's mountains.

That same company, Concesio Grupo Dina, now is operated by a team of businessmen and has an annual profit of \$90 million on a new line of trucks and buses. It is one of five Mexican companies listed on the New York Stock Exchange.

Three weeks ago it announced a preliminary agreement in the U.S. market with the acquisition of Motor Coach Industries International Inc. of Phoenix, the largest bus manufacturer in the United States, in a stock deal worth \$336.6 million.

It surprised many analysts that a Mexican company, especially one with a rocky past, made the first major cross-border acquisition in the new era of free trade among the United States, Canada and Mexico.

Because Motor Coach Industries has operations in Canada, the acquisition creates one of the first new North American companies since the North American Free Trade Agreement was approved in Washington.

The deal also reflects the precarious position that even strong Mexican companies face because of uncertainty over the value of the peso and the anemic performance of the Mexican economy, which in the last quarter declined 1.2 percent from the same period last year.

Analysts say it makes sense for a company like Dina to make major purchases now because a devaluation of the Mexican peso is possible in 1994 and would make any foreign acquisition more costly.

They also said that while diversifying across borders should be beneficial in the long run, it could weaken the company next year because it will divert resources at a time when growth in the Mexican economy is expected to be restrained.

"This deal will probably hurt the short-term outlook for the company," said Jorge Garza, an analyst with Vector, a financial services company in Mexico City. "In the long run though, Dina is

## German Shares Lead Europe's Year-End Rally

Bloomberg Business News

FRANKFURT — German stocks surged on Monday, sending the DAX index to a record high, as institutional buyers sought to lock in gains into 1994. French and Swiss shares also closed at records, adding to their advances so far this year.

The European component of the International Herald Tribune World Stock Index rose 0.38 percent, to 117.20 points.

German stocks closed the official trading session at a record as investors sought to prolong their rally into the new year. The DAX index of 30 most traded German stocks closed 31.14 points, or 1.4 percent, higher at 2,253.98. The DAX has risen 47 percent so far this year.

Dealers said much of the buying came from funds. "Institutional investors say they want to carry over the gains into the new year and then sell early in 1994 to show a good performance from the start," said Ralf Maier, a trader at Bayerische Vereinsbank in Munich. "Out of 10 investors, seven say that's what they want to do."

As few investors want to sell shares before the end of the year, supply is low and small buying orders suffice to drive prices up, said traders. A rally in the DAX index futures also helped to push prices higher, said the traders.

In the DAX Monday, 28 shares rose and only two fell. The advance was led by Metallgesellschaft AG, whose shares gained 6.64 percent, or

## Shock Therapy Not Good For All That Ails Russia

By Peter Passell  
New York Times Service

NEW YORK — Startling events have a way of focusing the attention of an otherwise distracted body politic, and few events in recent months have been as startling as the rise of Vladimir V. Zhirinovskiy, Russia's 1993-style bully boy with a 1990s flair for television.

Mr. Zhirinovskiy's success at the polls, Vice President Al Gore said, shows that economic reformers have asked excessive sacrifice from the already-humbled Russian masses. Or, as Strobe Talbot, ambassador at large to the former Soviet republics, put it, reform has consisted of "too much shock and too little therapy."

That idea plays well in both Washington and Moscow. No wonder. It places the blame on the shoulders of ivory-tower theorists and callous technocrats rather than the people commonly in charge. The trouble is, says Stanley Fischer of Massachusetts Institute of Technology, who served as chief economist of the World Bank, it does not square with the facts. "There just hasn't been much shock."

Jeffrey D. Sachs, the Harvard University economist who advises the radical reformers in President

## INTERNATIONAL STOCKS

### Polish Market Is Eastern Europe's Star

By Jane Perlez  
New York Times Service

WARSAW — Wieslaw Roznicki has a problem. The Warsaw Stock Exchange index has soared 700 percent this year, and so Mr. Roznicki, the president of what some financial analysts are calling the world's strongest performing market in 1993, is wondering how he can sustain the success.

"Certainly no other market has done so well this year," Mr. Roznicki said at the end of a hectic trading day in a room that used to be the library in the Communist Party headquarters. "The question is: how long can it continue?"

Of course success is relative, and the Warsaw exchange must be put in perspective. With only 22 listed stocks and total market capitalization of about \$1.9 billion, some call it a "pre-emerging" market. And the exchange is open only three days a week, although this will increase to four days next month.

"There are imperfections. It is tiny and illiquid," said David Roche, global strategist with Morgan Stanley & Co. in London.

But Mr. Roche is still a bull on Polish stocks. He likes to compare the exchanges of Poland and China. "Emerging markets are all the same, especially China," he added. "But often the most fashionable is not the most profitable."

The Warsaw market began to attract the attention of Poles and outsiders this year for a number of reasons. Founded in April 1991, it became clear after two years of operation that the exchange was well run.

"There is more depth of trading here than in the rest of Eastern Europe," said Allan Hirst, general manager of Citibank in Poland. "They have done a very good job of

### See VIACOM, Page 11

## Malaysia Sets Up 2d Carmaker

Reuters

KUALA LUMPUR — Malaysia launched its second car company on Monday, a joint venture with Daihatsu Motor Co. of Japan to make zippy, compact vehicles for Malaysia's rapidly growing middle class and increasingly affluent workers.

"It will be affordable and economical," said Prime Minister Mahathir bin Mohamad after he unveiled the name of the company, Perusahaan Otomobil Kedua Sdn. or Perodua.

The first Perodua vehicles are to roll off the assembly line in July and go on sale in September, said Raja Mohar Raja Badizozman, chairman of the company.

The car, to cost about 25,000 ringgit (\$9,500), is aimed at first car owners, motorcycle owners who want to upgrade, and families wishing a second car, he said.

The Perodua is the brainchild of Mr. Mahathir, who felt that Malaysia's first car, the Proton Saga, which was built in cooperation with Mitsubishi Motors Corp., had become too expensive for most first-time car buyers, industry sources said. A standard, no-frills Proton now costs about 33,000 ringgit, compared with 19,000 when it was launched in 1985.

The new car will be built at a new plant in Seremban, a town near Kuala Lumpur, which will produce about 20,000 cars in the first year with an initial local content of 30 percent, said Perodua's managing director, Ho Teh Kehong. The plant has the capacity to eventually build 45,000 cars a year.

Malaysia's UMW Corp., which assembles Toyota vehicles for the local market, is the biggest stockholder in Perodua with 38 percent of the shares. Its Malaysian partners are Med-Bumikar Mara Sdn. with 20 percent and FNB Equity Resource Corp. with 10 percent.

Daihatsu Motor has a 20 percent stake. Its Malaysian subsidiary Daihatsu (Malaysia) Sdn. has 5 percent and Mitsui & Co. of Japan has 7 percent.

Officials said the company, which has capital of 140 million ringgit (\$54 million), had no immediate plans to export the compact but this was a possibility for the future.

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Charles Schwab, Chairman  
Charles Schwab & Co., Inc.

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## CURRENCY & INTEREST RATES

	\$	£	DM	FF	Lira	Yen	₹	₹	₹	₹
American	1.00	0.75	1.78	1.93	1.36	1.08	1.25	1.25	1.25	1.25
British	1.33	1.00	2.46	2.54	1.81	1.42	1.42	1.42	1.42	1.42
French	6.55	4.83	1.00	1.36	0.79	0.65	0.65	0.65	0.65	0.65
German	0.63	0.46	0.73	1.00	0.58	0.48	0.48	0.48	0.48	0.48
Italian	1.93	1.41	1.36	1.00	0.68	0.58	0.58	0.58	0.58	0.58
Japanese	0.009	0.007	0.008	0.008	0.007	1.00	1.00	1.00	1.00	1.00
New York (D)	1.00	0.75	1.78	1.93	1.36	1.08	1.25	1.25	1.25	1.25
Taiwan	1.80	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Thailand	1.25	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Yen	110.00	82.50	82.50	82.50	82.50	1.00	1.00	1.00	1.00	1.00
Zwisch	1.40	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05

	Dollar	D-Mark	Sterling	French Franc	Yen	ECU
1 month	3 1/4-3 3/4	4 1/4-4 3/4	5 1/4-5 3/4	6 1/4-6 3/4	7 1/4-7 3/4	8 1/4-8 3/4
3 months	3 1/2-3 5/8	4 1/2-4 5/8	5 1/2-5 5/8	6 1/2-6 5/8	7 1/2-7 5/8	8 1/2-8 5/8
6 months	3 3/4-4 1/8	4 3/4-5 1/8	5 3/4-6 1/8	6 3/4-7 1/8	7 3/4-8 1/8	8 3/4-9 1/8
1 year	4 1/4-4 3/4	5 1/4-5 3/4	6 1/4-6 3/4	7 1/4-7 3/4	8 1/4-8 3/4	9 1/4-9 3/4

	United States	Britain	Germany	France	Japan	Italy
Discount rate	5.00	10.00	10.00	10.00	10.00	10.00
Call money	5.00	10.00	10.00	10.00	10.00	10.00
1-month T-bill	5.00	10.00	10.00	10.00	10.00	10.00
3-month T-bill	5.00	10.00	10.00	10.00	10.00	10.00
6-month T-bill	5.00	10.00	10.00	10.00	10.00	10.00
1-year T-bill	5.00	10.00	10.00	10.00	10.00	10.00



MARKET DIARY

Shaky Yen Allows Dollar to Advance

NEW YORK — The dollar firmed Monday against most major currencies as the market focused on the yen and fears that Japan would be unable to turn its ailing economy around in the near term.

Foreign Exchange

The dollar closed at 111.45 yen, up from a close on Thursday of 110.65 yen. It also climbed to 1.7010 Deutsche marks and 1.4435 Swiss francs.

STOCKS: European Records

Continued from Page 9. France's CAC-40 index of blue-chip stocks rallied for the fourth straight day to close at a record, with prices boosted by hopes of lower interest rates next year, traders said.

N.Y. Stocks

quarter less than the average but not bad for a day when the British market was closed, traders said. Monday was the first day of the January account, and investors often buy stocks at the opening.

Rhone-Poulenc SA was up 3.4 francs, at 148.2, after the company said it would pursue its strategy of selling assets for the next year or two to cut debt and it would avoid major acquisitions. Analysts said the news was likely to reassure those investors who were worried Rhone might go on an spending spree and its equity is owned by private investors.

MAZDA: Japanese Automaker Says There'll Be More Ford in Its Future

Continued from Page 1. The statement on Monday added that the cooperation would be focused on the development of new auto models and on manufacturing. It also said that the goal was to use existing plants and facilities more efficiently, rather than to expand or develop new plants.

WORLD STOCK MARKETS

Table with columns for Market, Close Prev., and various stock indices from Amsterdam, Frankfurt, Zurich, etc.

Table with columns for Market, Close Prev., and various stock indices from Johannesburg, Paris, Sao Paulo, etc.

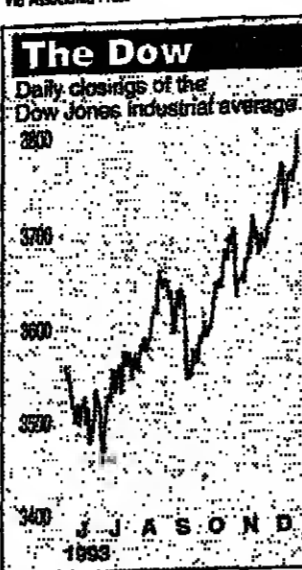


Table titled 'Dow Jones Averages' showing indices for Industrials, NYSE, and NASDAQ.

Table titled 'NYSE Most Active' listing top trading stocks like IBM, AT&T, and General Electric.

Table titled 'NYSE Diary' showing market activity and volume for the NYSE.

Table titled 'NASDAQ Diary' showing market activity and volume for the NASDAQ.

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EUROPEAN FUTURES

Table titled 'Food' showing futures prices for various commodities like wheat, corn, and soybeans.

Financial

Table titled '3-MONTH STERLING (LIPFID)' showing interest rates for different maturities.

Stock Indexes

Table titled 'FTSE 100 (LIPFID)' showing stock index performance for various regions.

Spot Commodities

Table titled 'Commodity' showing prices for various raw materials and agricultural products.

Dividends

Table titled 'Company' listing dividend payments for various corporations.

Market Sales

Table titled 'NYSE 4 a.m. volume' showing trading volume and market statistics.

N.Y.S.E. Odd-Lot Trading

Table titled 'Dec 23' showing odd-lot trading data for the NYSE.

S&P 100 Index Options

Table titled 'Dec 23' showing S&P 100 index option prices and volumes.

Grains

Table titled 'WHEAT (COTW)' showing grain futures prices for wheat, corn, and soybeans.

Metals

Table titled 'NON-FERROUS METALS' showing prices for various metals like copper, aluminum, and zinc.

Livestock

Table titled 'CATTLE (CME)' showing livestock futures prices for cattle, hogs, and sheep.

Food

Table titled 'COMBINED CEREALS' showing food futures prices for various grains.

U.S./AT THE CLOSE

Hotel Adds to Host Marriott's Woes

WASHINGTON (Combined Dispatches) — Host Marriott Corp. has disclosed that it seized a 28.6 percent interest in the Marriott Marquis hotel in New York City after a former partner defaulted on a loan related to the hotel.

Beatrice Holders to Sell Shares

WASHINGTON (Bloomberg) — A group of TLC Beatrice International Holdings Inc. shareholders has filed with the Securities and Exchange Commission to sell as many as 1.69 million common shares.

Chrysler Sells 2 Million Cars

HIGHLAND PARK, Michigan (UPI) — Chrysler Corp. reported Monday it had sold 2 million vehicles this year, a mark it last achieved on the last day of 1989.

Saudi Pays U.S. to End BCCI Charge

NEW YORK (Reuters) — A Saudi Arabian financier and his associate have paid \$25 million as part of an agreement with U.S. authorities to dismiss charges that they conspired to steal over \$300 million from depositors in the failed Bank of Credit & Commerce International.

Weekend Box Office

Table titled 'The Associated Press' showing weekend box office receipts for various movies.

Late Holiday Shopping Rescues U.S. Retail Sales

NEW YORK — When U.S. retailers locked their doors Friday evening after a 20-day holiday season that began the day after Thanksgiving, many were relieved that a late surge of shopping produced modestly respectable sales.

Egypt, Yemen Support Output Cuts

CAIRO — Oman on Monday secured its first successes in its campaign to win support from non-OPEC oil producers for cuts in production to push up prices.

Stockholm

Table titled 'Stockholm' showing stock market data for Sweden.

Tokyo

Table titled 'Tokyo' showing stock market data for Japan.

Zurich

Table titled 'Zurich' showing stock market data for Switzerland.

Sao Paulo

Table titled 'Sao Paulo' showing stock market data for Brazil.

Singapore

Table titled 'Singapore' showing stock market data for Southeast Asia.

Food

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Vertical text on the right edge of the page, including 'Panis to Fal trop' and 'ASD'.



# Spanish Rates To Fall in '94 If Europe Permits

**Compiled by Our Staff From Dispatches**  
**MADRID** — Spanish interest rates will fall in 1994 but the extent of the drop will depend on the evolution of inflation and short-term rates in the rest of Europe, the minister of economy and finance, Pedro Solbes, said Monday.

"A further reduction in interest rates in 1994, will be intimately connected, in addition to the inflation trend in our country, to the interest rates in other European countries," Mr. Solbes said.

He said the economy would benefit in 1994 from the rate declines seen in 1993, the structural reforms being implemented by the government and a better outlook for the international economy.

Mr. Solbes repeated a forecast of 1.3 percent growth in gross domestic product in 1994, with 1.2 percent of the economic growth coming from external demand and 0.1 percent domestically driven.

While Spain's benchmark marginal interest rate on securities repurchase certificates, now 9 percent, has fallen 475 points this year, it is one of the highest in Europe.

Mr. Solbes said that keeping inflation under control would be a key part of economic policy in 1994. Spain's annual inflation rate is expected to be 4.7 percent at year-end, up from government's prediction of 4.5 percent.

Mr. Solbes said the government would freeze wages in the public sector in 1994 and still wants to see a three-year wage pact in the private sector that would allow a drop in purchasing power of five points.

He said the government would support any initiative by unions and management of companies on a wage agreement but added that such a move would be better coordinated with the government.

Mr. Solbes said the Spanish government would also seek to maintain the stability of the peseta in the coming year. (APX, Bloomberg)

# German Stocks Stay Strong DAX Is Seen Gaining 10% to 15% in 1994

**By Sarah Utley**  
**AFP-Excl News**  
**FRANKFURT** — German stock prices will rise to record levels in 1994 as the recent rally persists, though at a moderate pace, many analysts predicted.

They forecast the DAX index of 30 leading shares would hit 2,500 or 2,600 by the end of next year as a result of high liquidity, expectations of falling domestic interest rates and hopes for a clear economic upturn.

The promise of rate cuts, which was largely fulfilled, helped boost the DAX index by 45.9 percent so far in 1993, to a record close of 2,253.98 on Monday.

Although uncertainty surrounding Germany's legislative elections next year may disrupt the upward trend temporarily, cash-rich foreign and domestic funds are still underweight in German stocks and will quickly re-enter the market once they think it looks cheap, analysts said.

"Next year will be a year for stocks," said Commerzbank's chief securities trader, Klaus Holschuh, noting that against a backdrop of declining interest rates, investors will increasingly switch out of bonds into equities.

The Bundesbank is expected to pursue its policy of gradual rate cuts in 1994. Many economists forecast the discount rate will fall as low as 4.0 percent by year-end from 5.75 percent now.

Analysts agreed that interest-sensitive stocks such as banks and insurers would lead the gainers in early 1994.

Norbert Bart, an equities analyst at Société Générale, said: "It's inevitable that German interest rates will continue to fall, and this will be the driving force behind the stock market rally in the first few months of next year."

Merrill Lynch & Co.'s chief international equity strategist, Thomas Robinson, said while the German stock market is "probably the most unattractive in Europe" as far as price/earnings ratios are concerned, U.S. fund managers will continue to invest in it strongly as long as the Bundesbank keeps easing interest rates.

The market is expected to consolidate in the spring with the start of Germany's state elections, and then cyclical are expected to step into the limelight in anticipation of an economic upturn, analysts said.

The Ifo institute for economic research has forecast Germany's gross domestic product will grow 1.5 percent in 1994 after contracting 1.5 percent this year.

Extensive cost-cutting measures introduced this year are expected to show a marked impact on corporate earnings by mid-1994, analysts said.

'Next year will be a year for stocks.'

Klaus Holschuh, Commerzbank's chief securities trader.

# Gén. des Eaux Lifts Stake in FNAC to 34%

**Bloomberg Business News**  
**PARIS** — A real estate unit of Compagnie Générale des Eaux SA, the diversified water company, said Monday it would pay 405.5 million francs (\$70 million) to raise its stake in FNAC to 34 percent.

FNAC is France's biggest combination retailer of books and compact disks.

The Générale des Eaux unit, Compagnie Immobilière Phénix, now holds a 17.7 percent stake in FNAC. Phénix and Alnus Finance, a unit of Credit Lyonnais that is the majority shareholder in FNAC, agreed last summer that Phénix could increase its FNAC stake to a maximum of 34 percent by the end of the year. Alnus will retain a majority stake in the retailer.

The transaction is set to take place later this week, when FNAC resumes trading on the Paris cash market. Phénix said it will turn over its FNAC shares to Générale des Eaux early in 1994.

"The question is what the two groups plan to do with FNAC now," said Patrick Jousseume, an analyst at the Ferri brokerage, referring to Générale des Eaux and Crédit Lyonnais. "One tends to wonder whether this is merely a financial maneuver and they plan to sell it, or if they have real plans for FNAC."

Press reports have said Générale des Eaux and FNAC represent a natural match, on the basis of a 20.4 percent stake Générale des Eaux holds in the pay-television station Canal Plus and FNAC's cultural products. The reports also say FNAC could provide a distribution network for Générale des Eaux's growing line of telecommunications products, such as mobile telephones.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2300	3400	2300		
2200	3300	2200		
2100	3200	2100		
2000	3100	2000		
1900	3000	1900		
1800	2900	1800		
1700	2800	1700		
1993 1993 1993				
Exchange Index Monday Close Prev. Close % Change				
Amsterdam	CBS Tend	149.80	147.90	+1.28
Brussels	Stock Index	Closed	7,449.28	
Frankfurt	DAX	2,253.98	2,222.84	+1.40
Frankfurt	FAZ	881.67	844.38	+0.86
Helsinki	HEX	1,666.02	1,669.96	-0.31
London	Financial Times 30	Closed	2,549.40	
London	FTSE 100	Closed	3,396.50	
Madrid	General Index	323.71	322.06	+0.51
Milan	MIB	1,345.00	1,345.00	Unch.
Paris	CAC 40	2,276.55	2,243.02	+1.48
Stockholm	Affarsveirden	1,617.63	1,612.71	+0.31
Vienna	Stock Index	482.12	475.00	+1.50
Zurich	SBS	1,018.85	1,011.51	+0.23

Sources: Reuters, AFP International Herald Tribune

## Very briefly:

- Sachsring-Automobiltechnik GmbH, the plant that made the Trabant, was bought for 8 million Deutsche marks (\$4.7 million) by two West German brothers who plan to make electric cars there.
  - Deutsche Bundespost Telekom and Société Européenne des Satellites, operator of the Astra satellite, plan a joint venture to develop the digital transmission of satellite and cable TV and radio services; SES said the German company would also take a stake of around 15 percent in it.
  - Malev, the Hungarian airline, is expected to post a loss of 1 billion forints (\$10 million) this year, the daily Nepszabadsag reported; the loss is partly due to the forint's devaluation, which made a loan for the purchase of aircraft more costly.
  - Elf Aquitaine and Hunt Oil Co. have resumed oil prospecting in eastern Niger after a year's halt to operations.
  - The French federation of insurance companies said damages payments after natural catastrophes in France in 1993 would be "well above" 2 billion francs (\$346 million).
  - Pechiney SA said it had not ruled out closing the Lannemezan and Arzac plants in the Pyrénées if the aluminum market doesn't improve.
- UPI, APX, AFP

# East German Output Rises

**AFP-Excl News**  
**BONN** — East German industrial output rose 7.5 percent in October from September and was 15.6 percent higher than a year earlier, the Economics Ministry said Monday.

In September, industrial output had shown a 11.5 percent increase from August and was up 9.2 percent from a year ago.

The ministry, which said the improvement reflected a "significant increase in East German industrial activity," attributed the October rise to a 14.5 percent month-to-month rise in mining industry output, a 15 percent rise in construction and a 23.5 percent rise in gas and electricity output.

# CCF Sues London Borough Over Interest-Rate Swaps

**Reuters**  
**PARIS** — A French bank said on Monday it was suing the London borough of Hammersmith and Fulham, alleging fraud in the latest twist of a saga in which dozens of banks lost up to \$900 million.

A spokeswoman for Crédit Commercial de France said the move followed a decision by the English Court of Appeal this month to uphold a High Court order that another London borough, Islington, pay £1.14 million (\$1.7 million) to Germany's Westdeutsche Landesbank. She refused to say how much was

being claimed by CCF, which has played a leading role in five years of battles with British councils and the courts over interest-rate swaps.

Bankers said the swaps problems cost about 80 international banks around \$600 million (\$900.1 million). During the 1980s, many British local authorities made millions by agreeing to pay banks variable market interest-rate payments in return for a fixed-interest income — an interest rate swap. But the councils subsequently lost money when market rates rose sharply above the rates they were receiving.

# VIACOM: New Bid a Tough Call SHOCK: A Partial Treatment

**Continued from Page 9**  
**Monday** they fell 25 cents, to \$46.50, in late trading.

Paramount's stock fell 62.5 cents, to \$78, on Monday and QVC's stock lost 75 cents, to \$39.25, movements that seemed to show investor doubts over Viacom's chances of putting together a new, higher bid.

In any new investment, Blockbuster or Nynex may want a lower conversion price, an arrangement that would dilute Viacom's stock, several analysts said. Blockbuster and Nynex may also want more control of Viacom; but Mr. Redstone has voting control and is reluctant to give it up.

Mr. Redstone could also turn to

banks, which have agreed to lend Viacom \$3 billion. Mr. Londoner of Wertheim Schroeder said he believed that with the cash flow from a combined Viacom and Paramount of \$1.1 billion, Mr. Redstone could borrow more money.

Another option for Mr. Redstone would be to obtain financing from National Amusements, a company he controls.

With the Jan. 7 deadline for another Paramount bid nearing, one person close to Viacom said "money is not the issue." He said the question was whether Viacom wanted to go forward given how costly the purchase of Paramount had become.

**Continued from Page 9**  
 ple, he said, the destruction of private savings and the bewildering scramble for personal security in the teeth of "one of the great income redistributions in history" have largely been results of the failure to stop inflation.

Even those who favor a gradual approach agree that the United States has muddled the story: "Shock therapy was only applied for four months," says Padma Desai, an economist at the Harriman Institute of Columbia University.

Most frustrating to the shock therapists is what they see as the nonstrategy behind the White House's response to the Zhirinovskiy "wake-up call." It sounds fine to settle for a little less shock, but that does not translate into a policy, Mr. Sachs said.

If so good is to come from the U.S. administration's belated discovery that a failed Russia may still prove a malevolent force, Mr. Sachs suggested, time is of the essence. At the top of his to-do list is a commitment to past agreements, with Mr. Yeltsin's government hunkering down on inflation in return for sufficient help from the outside to finance a social safety net for retirees and the unemployed, convert salvageable military industries and provide the start-up capital for thousands of new businesses.

# NASDAQ

**Monday's Prices**  
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Div	Yld	PE	52 Week High	Low	Div	Yld	PE	52 Week High	Low	Div	Yld	PE
100	100				100	100				100	100			
101	101				101	101				101	101			
102	102				102	102				102	102			
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ADVERTISING SECTION

# India's Textile Industry

## UPDATING METHODS AND PRODUCT MIX

What did Marco Polo, who visited India in the 13th century; Vasco da Gama, who traveled there in the late 15th century; and the British, who ruled India from the 17th century into the 20th century, have in common? They all extolled the quality of India's textiles.

Today, India is the world's second-largest producer of yarn and cloth and the fourth-largest producer of cotton. Yet despite these accomplishments, India's textile industry has failed to capture a dominant share of the global textile market. Textile exports from India have grown by 35 percent during the past five years, to total around 25

Assets include ample supplies of cotton

percent of the country's total export earnings of \$19 billion. But India is facing increasingly stiff competition, even from smaller countries like Bangladesh and Sri Lanka.

The Indian textile sector has 17 percent of the world's spindle capacity, but India's share of the global textile market is only around 2.5 percent. Hrishikesh Mafatal, head of Mafatal Industries and chairman of the Bombay Mill Owners Association, explains the reason for this discrepancy: "Only 20 percent of our machines are less than 10 years old, whereas in most other countries, around 70 percent of the machines are less than 10 years old."

Much of the failure of India's textile industry to achieve its potential has been ascribed to restrictive government policy in the past. Among the criticisms leveled against the government concerning textiles are that it instituted laws that discouraged the growth of large companies in favor of smaller ones, prevented layoffs, imposed restrictive import duties on textile machinery and did not encourage the growth of textile exports. Incentives and protection offered to the country's hand-loom companies have also been criticized.

Efforts are now under way to modernize the industry by upgrading equipment, restructuring the sector as a whole and promoting the growth of textile exports.

India's textile industry has traditionally been composed of three different types of companies: large textile mills, smaller companies that use both power looms and hand looms, and still smaller companies producing garments and household textiles.

The large textile mills, which total just over 1,000, employ around 7 percent of India's textile workers and account for around 18 percent of India's fabric production. These mills, many owned by the government, had garnered around 78 percent of the domestic market in the 1950s but have been steadily losing ground in recent

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Debashis Basu, a free-lance writer based in Bombay where he is a consulting editor for Business Today.



Weaving fiber into fabric: New government policy will ease the process of upgrading equipment.

years, at the rate of around 15 percent of market share per year, according to Sri Ram Khanna, a textile industry analyst.

A lack of modern equipment, added to labor unrest and the effects of global recession, caused many of the larger textile companies to experience severe problems during the 1980s. At that time, many were taken over by the government and controlled by the government-run National Textile Corporation (NTC). NTC has now accumulated losses of almost \$1 billion and is a major stumbling block in the government's efforts to promote the growth of India's private sector.

The larger companies have seen their market share eroded by smaller power-loom and hand-loom textile companies. These companies now produce 80 percent of India's fabrics and employ 80 percent of the country's textile workers.

Of this group, some 300,000 companies using a total of 1 million power looms and employing a third of the textile work force are now producing 54 percent of India's total textile output of yarns, garments and fabrics, according to Mr. Khanna. The sector has been criticized, however, for its overall lack of sufficient quality control.

A diverse group of companies use only hand looms, which have been part of India's culture for centuries. The government has been keeping this part of the sector afloat by exempting it from sales and excise taxes, limiting 22 textile products to production by hand looms alone, guaranteeing government purchases of some goods and pro-

viding a distribution network. The sector is widespread, fragmented and economically vulnerable.

Garment production forms the third major division of India's textile industry. This sector began to grow in the 1940s, producing military uniforms used during World War II. It received its biggest boost in the 1980s, according to Mr. Khanna, through increased export opportunities and a growing domestic market.

Government policy has limited the garment sector to small-scale companies; 80 percent of them run fewer than 20 machines.

These three divisions of India's textile industry have all failed to modernize their equipment and production methods adequately, largely because of the high costs of importing equipment.

According to Mr. Khanna, more than 60 percent of the equipment being used throughout the industry dates from before 1960, providing a great opportunity for foreign producers of textile equipment to help upgrade the industry. Despite the problems, many textile-industry executives are hopeful about the future of the industry in India.

International investors, attracted by a recent government reduction of the machinery-import tax rate from 85 percent to 35 percent and by the new low tax rates for textile exports (from zero to 15 percent) are increasingly setting up joint ventures with Indian companies. Such ventures, in the long run, will help to modernize the industry.

And most analysts agree that India has two major advantages that can contribute to the growth of its textile industry: a trained labor force and ample supplies of cotton. Sanjay Lalbhai, managing director of Arvind Mills, one of India's largest textile companies, says, "We have tremendous potential if we can improve yields. We are the world's fourth-largest producer of cotton, with the biggest acreage under cultivation, producing the entire range [of cotton yarns], from coarse to very fine." He points out, however, that productivity levels are among the lowest in the world, averaging around 200 kilograms of cotton per hectare under cultivation.

The recently concluded General Agreement on Tariffs and Trade (GATT) has been particularly encouraging for India's textile industry, since the Multi-Fibers Agreement that allowed countries to impose restrictive quotas on textile imports will be phased out by 1995, according to the terms of GATT, which will make the lucrative U.S. and European markets accessible to Indian producers.

"The prospects for India's textile industry in the next 10 years are superb," says Kamal Ranka, whose family controls the Modern Textiles group of textile companies.

India's current textile exports now total over \$4 billion of the global \$248 billion yarn, fabric and clothing industry. "We can soon achieve exports of \$20 billion," Mr. Lalbhai says of the industry as a whole. He feels that further changes in government policy are necessary to stimulate the industry. Such changes, he believes, include overhauling labor laws that now overly protect workers, providing better infrastructure and simplifying the complicated rules and regulations that control the process of starting and running a business in India.

## EXPORT GROWTH BOOSTED BY GATT

Textiles will account for 25 percent of India's total exports for the fiscal year ending in March 1994. But in spite of this success, various changes are necessary for India's textile industry to continue to grow.

The garment industry abroad wants its delivery time to be precisely 15 to 20 hours; they want the fabrics to come into the factory in the morning and go

Garment exports

to Japan rose by

\$80 million in 1992

straight to production without inspection. We must be ready with zero-defect fabrics," says Sanjay Lalbhai, managing director of Arvind Mills, one of India's most forward-looking textile companies. He adds that foreign buyers "do not want to wait for four months for the letter of credit to be opened and goods to be shipped out of India. This is not the way to do business."

More and more Indian textile exporters are beginning to agree with Mr. Lalbhai that India's textile industry cannot continue to operate in the outmoded ways it has been used to in the past; it must modernize in order to survive.

The phase-out of the Multi-Fibers Agreement beginning in 1995, as agreed on under the terms of the recently concluded General Agreement on Tariffs and Trade (GATT), could not have come at a better time for Indian textiles. More than 60 percent of India's garment exports now go to countries whose restrictive quotas on textile imports, allowed under the terms of the Multi-Fibers Agreement, will be removed. According to trade analysts, India's annual textile exports would immediately grow from the current \$4 billion to \$7 billion if all quotas were removed.

Ready-made garments (RMG) bring in the most revenues of India's overall textile exports, followed by cotton fabrics, synthetic-fiber textiles, silk textiles and woolen goods. Most of India's cotton fabrics are now exported in an untaxed state, while the country's woolen goods cannot now compete in pricing and quality with supplies from countries like Australia and New Zealand.

India's RMG exports had risen to 17 times their 1963 earnings in dollar terms by late 1993 and the potential

for further growth is great. RMG is a labor-intensive industry, an advantage for India given its large pool of skilled workers and low wage scale.

India's power-loom sector and its garment exporters maintain close links. Since India's garment industry is confined by government regulations to small-scale operations, it relies heavily on power-loom companies that can supply small batches of fabric at short notice.

While this limitation on the size of RMG operations was advantageous in building export volumes quickly during the 1980s, it is increasingly being seen as a drawback for the next stage of growth, toward true globalization.

As Mr. Lalbhai says, "Globalization does not mean exports alone. Here in India, the garment industry is limited to small-scale operations. This is a major constraint. If large companies and brands were allowed to operate in India, the export thrust in RMGs would be amazing."

While the domination of Indian exports by RMGs is unlikely to change in the near future, changes in global opportunities and domestic cost structures, along with the growing availability of new skills and materials, are sure to alter the profile of India's textile exports in the future.

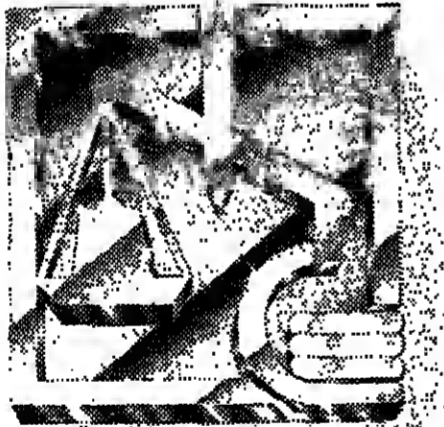
More and more textile manufacturers are realizing that it is more profitable to concentrate on high-value-added products and that there is a great need to form alliances with global players to improve know-how and skills.

"To break the vicious circle of low-cost structure producing low-quality products for low-end markets, the Indian textile industry will have to make heavy investments, and to recover such investments, we will have to make high-margin, i.e., value-added products," Mr. Lalbhai says.

Forward-looking Indian textile companies like Arvind Mills, Bombay Dyeing, Modern Textiles Ltd., Mafatal Industries, and VXL India have realized this and are making efforts to update both their production methods and product profiles.

S.K. Birla, chairman of VXL India, says, "Our textile capacity is expected to double within three to four years with our modernization projects, which are already under way." The

Continued on page 15



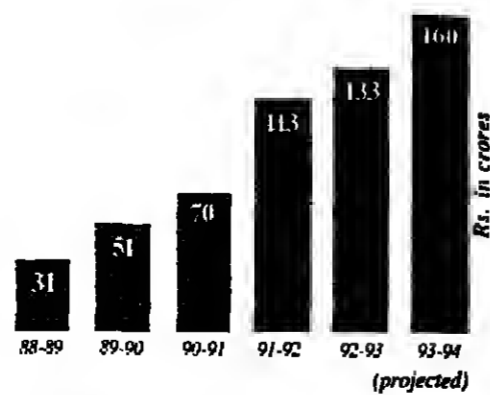
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# India's Textile Industry

## JOINT VENTURES HELPING IN DRIVE TO GLOBALIZE SECTOR

The most striking new trend in the Indian textile industry is the number of new joint ventures now being established between Indian companies and foreign textile brands.

Thanks to the present government's liberal approach to foreign investment, equity participation and brand licensing are becoming increasingly common. This past November, Arvind Mills began to produce Arrow shirts in India through a licensing arrangement with Cluett Peabody. The shirts are sold to exclusive Arrow showrooms at select locations in 10 cities. Arvind soon plans to launch production and distribution in India of Lee jeans. Stencil Apparels similarly joined

with Lacoste in a project to produce and sell Lacoste polo shirts in India. Other such ventures are reported in the works, including ones involving Benetton and Hugo Boss.

Even non-textile companies in India are rushing to form alliances with foreign garment and textile producers in what is seen as a par-

**Labor accounts for only 5% of production costs**

ticularly promising market. According to reports, ITC Ltd., India's largest tobacco company, is negotiating with Triumph of Germany, Reebok of the United States and Marzotto of Italy to produce and market these companies' menswear in India.

The Eicher Group of India, which derives most of its revenues from the automobile sector, is reportedly in negotiations with Samsung of North Korea to jointly produce low-cost men's suits for export to wholesalers.

"At last the time has come for joint ventures in textiles. This was not possible two years ago," says Hrishikesh Mafatlal, managing director of Mafatlal Industries. "Textiles were considered low-technology and the sector was therefore insulated and isolated from world markets. No imports of fabrics or yarn were allowed. The new policy of direct foreign investment has given [the Indian textile industry] a much larger scope. Value-addition for fabrics through brands is the logical extension," he adds.

Mr. Mafatlal feels that the trend toward joint ventures has gathered added momentum because India's adoption of new policies concerning joint ventures coincides with the fact that more and more textile companies throughout the world are choosing to set up operations in Asia.

India offers investors low-cost labor; in fact, labor accounts for only 5 percent of production costs in India compared to 50 percent in Europe. Attracted by such a financial advantage, NF Corporation of the United States has negotiated an arrangement to produce ladies' lingerie and casual wear in India, all for export, and Mafatlal Industries is setting up three new export-oriented joint ventures with foreign partners. The first of these is with Schiesser of Germany to make knit-wear, undergarments, T-shirts and boxer shorts. The second project, with Gruppo La Ferla of Italy, is for the manufacturing in India of shirts, blouses and lingerie, while the third will concentrate on hospital and industrial garments in collaboration with IGP Holdings Ltd.

While some of the new joint ventures are geared to producing garments for export, an increasing number are also hoping to exploit the purchasing possibilities of India's huge middle class.

And some foreign companies are entering the market on their own, without local partners. One such example is the Levi Strauss Co. of the United States, which soon will be marketing its jeans throughout India.

## COMPANY DOUBLES TURNOVER

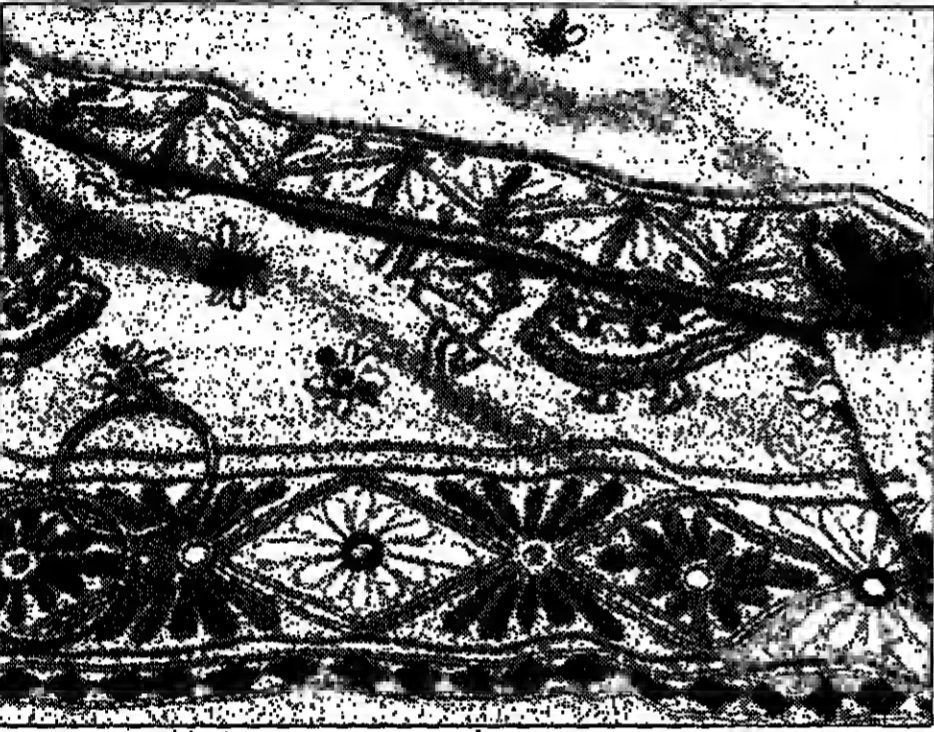
Arvind Mills Ltd., a long-established Indian company, has experienced rapid growth during the past five years: its annual turnover rose from 1.5 billion rupees (\$483.8 million) in 1988 to 2.8 billion rupees for the fiscal year ending March 1993. The company's after-tax profits rose during the same period from 41 million rupees to 414 million rupees. It is profiting from its efforts to modernize its production facilities and procedures as well as its management style.

Its specialty is denim. Arvind will be producing 45 million meters of the fabric per year by April 1994, compared to 3.6 million meters in 1987. This constitutes an annual compound growth rate of 43 percent, making Arvind one of the

largest denim producers in the world. It has an 80 percent share of the denim market in India, as well as 27 percent of the cotton shirt fabric market.

Arvind has sought the services of management consultants McKinsey & Co. in putting together a global strategy. Its aim is to go beyond its current practice of manufacturing in India and marketing abroad. "We want to manufacture our products globally. We want to transform textiles into an international business by geographic penetration, expanding into new but related segments of the textile chain," says Sanjay Lalbhai, managing director. One of the company's first overseas operations will be in Sri Lanka, and it is establishing offices in Hong Kong, New York, London and Tokyo.

A wide variety of woven goods in intricate patterns has made Indian textiles prized for centuries.



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Canvas Cloth, 5P & 28P Coloured Woven Shirtings, Polyester Viscose Suitings. Our markets: U.S.A., Canada, U.K., France, Italy, Spain, Germany, Netherlands, Austria, Switzerland, Portugal, Sweden, Hong Kong, Australia, Sri Lanka, Yemen, U.A.E., Oman, Saudi Arabia. Our exports: Rs. US \$ 60 million per annum. Our commitment: Fabric excellence.

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## EXPORT GROWTH BOOSTED BY GATT PROVISIONS

Continued from page 14

company has for the past four years won the highest award for export quality from India's Wool and Woollen Export Council. Mr. Birla cites woollens and men's garments as particularly fast-growing product categories.

Another emerging area of growth concerns terry-cloth towels. These are mainly manufactured by power-loom and hand-loom operations, which produce a total of 20,000 tons of terry cloth per year. Indian entrepreneurs have discovered that good-quality terry-cloth towels can be a lucrative export. Over the past three years, a dozen new plants have opened, all dedicated to exports. At full capacity they could be turning out a total of 18,000 tons of terry cloth per year.

According to Kamal Ranka, whose family controls the Modern Textiles Ltd. group of textile companies, "Until recently, India was exporting low-

quality towels manufactured by mills based in southern India. But now plants geared to the export [of higher-quality products] have been established. Modern Textiles has opened a spinning, weaving and finishing plant for

fine cotton towels and intends to market its products aggressively. According to Mr. Ranka, "Knitted cotton garments have the best export prospects, followed by woven cotton fabrics and garments and cotton yarns."

Until recently, India's knitted cotton fabrics and garments were manufactured by small businesses with limited means for quality improvement, but that will change, Mr. Ranka believes.

Other expanding textile companies are also positive about the future of the industry in India. Bombay Dyeing, which had exports totaling \$15 million in 1989, will have exports of \$50 million for the fiscal year ending March 1994. More than 50 percent of

our turnover is being earmarked for exports," says a company spokesman, adding, "We have spent about \$50 million over the past four years on modernization in order to manufacture good-quality products for the export market."

The company is upgrading its product mix and developing its value-added, fully processed products. It is currently negotiating with department stores and mail-order houses in highly developed markets like

the United Kingdom, Switzerland, Australia, Canada, France and Germany in a move to expand its export base.

Hrishikesh Mafatlal, managing director of Mafatlal Industries, has been scouring the world for new markets, products and alliances.

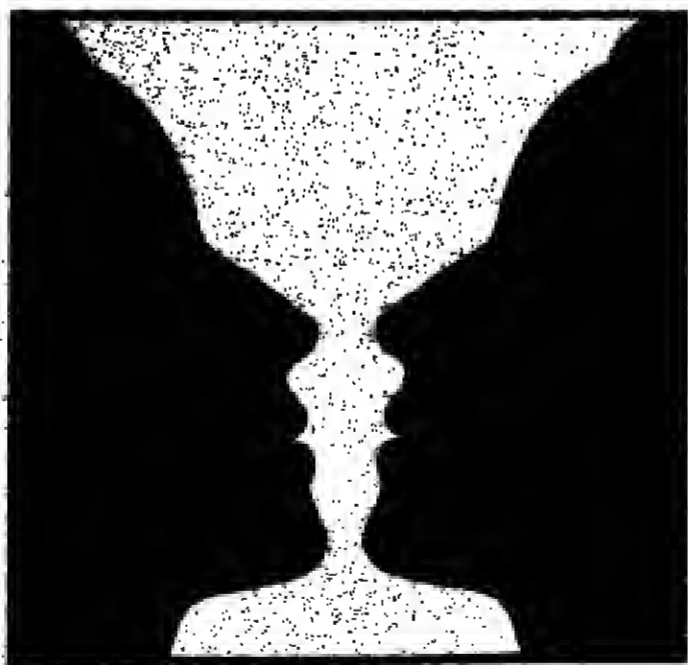
He reports that he is now demanding and getting better prices from British and Japanese importers for products like cotton voile and processed shirt fabrics.

India exported garments worth a total of \$100 million to Japan in 1992, a huge increase over the \$20 million in garments exported there that was reported in 1991. India's exports to Australia doubled in the same period, while those to Switzerland increased fivefold. Exports to the United Arab Emirates also rose.

The GATT agreement should allow for increased exports in the future, particularly to Europe and the United States.



S.K. Birla, Chairman, VXL India



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# SPORTS

## With Winter Games Just Around Corner, Lillehammer Fine-Tunes

By William E. Schmidt  
New York Times Service

**LILLEHAMMER, Norway** — The town's steep-roofed wooden houses are blanketed with snow like a scene off a Norwegian Christmas card, and down at City Hall and in the nearby brick and glass offices of the Olympics organizing committee, local boosters say that Lillehammer is ready.

just about everyone else in this town of 23,000 people, it is just as well that hundreds of thousands of spectators and journalists have not yet begun converging on Lillehammer.

A sudden if brief swing in the weather had brought rain to the valley above Lake Mjøsa and turned the steep roads and sidewalks from snow to slush, and then just as quickly back into treacherously slick sheets of ice.

After more than \$1.5 billion was spent in six years since Lillehammer was awarded the 1994 Winter Olympic Games, it has come down to the details here. It is a measure, perhaps, of Lillehammer's state of

The Olympic committee wants to put inside the arenas informational signs that are painted with a greenish background; Lillehammer's fire marshals say the Olympic green looks too much like the green

much of the last year to fine-tune their planning for the Games. The Olympic stadiums and sporting sites, scattered over five communities in the valley, were not only finished more than a year ago, but they have already been tested in competition, resulting in some adjustments.

rearranged, too, adding a new turn in the final stretch to provide a better angle for both spectators and television cameras.

yet for a winter Olympiad — a good head start. Locals say this December has so far been the snowiest anyone can remember, with nearly three feet on the ground in town.

## 2 Players Acknowledge Extortion

By Lisa Dillman and Helene Elliott  
Los Angeles Times Service

**INGLEWOOD, California** — Alexei Zhitnik of the Los Angeles Kings has acknowledged that he was the target of extortion last summer when he was at home in Kiev, Ukraine.

say things like, 'Blow up your car.' Zhitnik, 21, said neither he nor his twin brother, Dmitri, were harmed. He said he did not pay the gangsters.

"It's like America had Al Capone," Kasatonov said. "Now, there's so much illegal groups there, big and little," he said. "You don't know who is protecting you and who is helping you. Maybe your neighbors are in the same situation or maybe they take your parents and ask about money."

Wings, urged Fedorov to bring his family to the United States before signing a four-year, \$11.7 million contract that makes him the NHL's highest-paid Russian player.

used in public buildings in Norway to mark fire exits. The dispute, says Soerlie, is still being negotiated.

For their part, Lillehammer's Olympic organizers have used preparedness that municipal officials and Olympic organizers are reduced these days to arguments about the color of signs, which seems to be the hottest current dispute around town.

## Gartner Gets 600th Goal In the NHL

The Associated Press

Mike Gartner became the sixth player in NHL history to score 600 goals with the first of his two during an 8-3 victory over the New Jersey Devils that extended the New York Rangers' unbeaten streak at home to 15 games Sunday night.



Mike Gartner responding to the cheers that followed his 600th goal.

Some officials acknowledge that they are haunted by memories of Lake Placid, N.Y., in 1980, when the shuttle bus system failed miserably, stranding thousands in the cold.

"We think we are ready, but I must say, honestly, we won't know for sure until the day it happens," said Ustied. "Let's say I am not worried, exactly, but I am anxious."

Moreover, there is only a two-lane highway and one good rail line connecting Lillehammer to Oslo, about 110 miles to the south and where many spectators will be staying.

"When you think what could happen if even just one moose or reindeer wanders on the tracks, you begin to lose sleep," said one Olympic planner.

As a result, special precautions are being taken to keep the wildlife at bay. Troughs of food will be towed into the woods each day, in an effort to keep animals away from the transportation lines for the 16 days of the Games.

At Christmas time, Lillehammer seemed nearly deserted, a kind of calm before the storm. Bars and restaurants were nearly empty, hotels had plenty of available rooms, and there were no lift lines at the ski resorts.

On Storgata, Lillehammer's pedestrian mall, the peddlers who hawk Olympic pins are folding up their stands by sundown, which these days comes before 3 P.M.

Olympic rehearsals are finished for the holidays, too. Despite the rain, more than 500 local people had turned out in the slush above the town for what was supposed to be the first full-dress practice of the opening ceremonies.

Because of the weather, the organizers not only told everyone to leave his costume at home, but also abandoned one more test of that has already been described as the ceremony's most daring special effort: the airborne entry of the Olympic torch, held tightly in the grip of a Norwegian ski jumper who will soar into the stadium off the 60-meter hill. In rehearsals so far, say Olympic planners, the torch has stayed lit every time.

## Rockets Get Back to Winning

The Associated Press

Kenny Smith made sure the Houston Rockets did not make losing a habit.

Phund, had a simple explanation for the blowout: "Obviously, they're a better basketball team than we are."

Radja (0-for-14 from the field) and Acie Earl (0-for-1) were scoreless.

Although Zhitnik discussed his situation, Pavel Bure of the Vancouver Canucks continued to deny stories in the Vancouver Province newspaper that said he had made two payments to ensure the safety of his family.

Melrose also said NHL scouts were so fearful of becoming victims of crime in Russia that the world junior tournament was moved from Russia to the Czech Republic.

Whalers 3, Senators 2: Alexei Yashin forced overtime by scoring with 10:22 left in the third period and forward Geoff Sanderson's second goal extended Hartford's winning streak to four games, its longest in two seasons.

## Brindabella Forges On as Gales Cut Field by 16

Compiled by Our Staff From Dispatches

**SYDNEY** — The Australian pocket maxi Brindabella remained on pace Monday evening to break the 18-year-old record in the Sydney to Hobart yacht race, but its two closest rivals had been forced to drop out by gale force winds and rough seas.

Brindabella, skippered by George Snow, held a 37.4-nautical-mile (69-kilometer) lead over Maxi Kagamuffin, which was 8.9 nautical miles ahead of Hammer of Queensland.

The high-tech U.S. yacht Cassiopeia, skippered by Charles Burnett III, was in second place when it suffered gear damage. Amazon was a close third when its sails were torn. Both turned back for Sydney.

It was the first time a yacht had sunk in 49 Sydney to Hobart races.

"There was a big bang and about five minutes later we found her filling up, so we went into the abandon ship mode," said skipper Craig Escott.

Four yachts that sighted its flares sailed toward the Clwyd and the crew was picked up from their liferaft about 60 miles east of Bateman's Bay by the boat Ninja Go.

The race record for the 630 nautical miles is held by American Jim Kirby, who took Kialoa II to Hobart in 2 days, 14 hours, 36 minutes in 1975. Kirby was helped by trailing winds averaging 20 knots.

Brindabella enjoyed favorable winds for the first 30 hours of the race, but weather forecasters said she was heading straight into 30- to 40-knot headwinds that were whipping up four- to five-meter waves.

Brindabella had led 105 yachts out of Sydney Harbor on Sunday, but 16 already had retired by Monday evening. (AP, Reuters)

### DENNIS THE MENACE



### PEANUTS



### ANY DOG



### WIZARD of ID



### REX MORGAN



### BLONDIE



### BEETLE BAILEY



### DOONESBURY



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Use the letters in each square to form the hidden words.

TORIB  
FEROC  
GINFIX  
YAQUES

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# SPORTS

## Florida State Has Numbers on Its Side

By Ken Denlinger  
Washington Post Service

WASHINGTON — The homecoming to Florida State and its coach, Bobby Bowden, usually appear about this time of the year: "Best college team in the country," "Nation's best college coach," "Best coach in the country." The Seminoles are usually out of the national-championship picture by the time the bowls roll around and Bowden has yet to coach a team to a national championship. Those points are never far behind the praise, to the point where Bowden, an easy-going guy if ever there was one, has become sensitive.

He was saying during a conference call the other day: "So many (coaches) have stated they'll be glad when he (Bowden) finally wins it all and we can get back to playing football — I'd never realized the feeling was so strong."

### ORANGE BOWL

In the last six final Associated Press polls, the Seminoles — now ranked No. 1 — have finished second three times, third once and fourth the other two times. They are unbeaten in their past 11 bowl games, yet have not been involved in the national championship experience — until Saturday's Orange Bowl game against undefeated and No. 2-ranked Nebraska.

To make the case this year for Florida State as No. 1, start with two overwhelming facts: It has scored more points (518) than any other team in the country; it has allowed fewer points per game (9.4) than any other team in the country. Only three other teams in National Collegiate Athletic Association history has that happened.

"They even look good just standing around in their uniforms," said Mel Kautman, a scout for the NFL's Washington Redskins.

What makes the Seminoles special? "Speed," said Kansas' tight-ends coach, Tim Phillips. "Jon Vanagin lost 42 points in his season opener and lost to Nebraska by one point nine games later."

"Incredible speed," said Kautman. "Ability-wise, man for man, they're the best team in the country," said Miami's defensive coordinator, Tommy Tuberville.

So how come they lost, by seven points, to Notre Dame? "Didn't run their offense the first half," said Tuberville, referring to a 21-7 deficit in Notre Dame Stadium. "Tried to kick 'em," with a halfback pass to a wideout in the first quarter that went incomplete and a halfback pass to quarterback Charlie Ward in the second quarter that lost 14 yards.

Ward is on a terrific run. He won the Heisman Trophy one Saturday and picked up his degree the next. Tuberville says Ward "has the quickest first two steps of any quarterback I've ever faced. He truly is the difference between us, Nebraska, Florida and West Virginia."

Including Ward, the Seminoles have 10 players with at least a four-yard rushing average. Also including Ward, the Seminoles have 12 players with at least a 10-yard receiving average. Ward's two back-

ups have completed more than 70 percent of their 84 passes. Despite playing one more game, the Seminoles have punted 11 fewer times than Nebraska.

That's the offense. The defense is at least as good. "The thing that amazes me," said Nebraska's coach, Tom Osborne, "is that they lost three or four key players — mostly on defense — and still are every bit as talented as last year. The last six or seven years they've been the most consistent team in the country. Kind of like the Buffalo Bills — been there every year."

At one point this season, linebacker Derrick Brooks had scored more points than had all the Seminoles' opponents. Bowden said he'd never seen Brooks end a game as a freshman, that he kept finding a way to end up with the football on defense and run it into the end zone.

"I think about a shutout every practice," Brooks said. Bowden was reminded that this could be a unique year for his family, what with son Terry winning many coach-of-the-year honors for leading probation-saddled Auburn to an unbeaten season and him with a chance at a national championship. Bowden admitted that was so, but said there had been a more memorable year: 1975.

"My last year at West Virginia," he said, "We played in the Peach Bowl. Tommy (another son) played a key role for us that year as a player, helping pull us out of a disaster the year before."

West Virginia went from 4-7 in 1974 to 9-3 — and Bobby Bowden was off to Florida State. Now 64, he has said he thought Florida State would be a stepping stone to Alabama or, ironically, Auburn. Instead, he found himself with a methodical high-school talent — and has won at least 10 games in each of the last seven years. He and his players now have the chance at the capstone of their college careers.

## But Nebraska Can Count Its Blessings, Too

WASHINGTON — May it please the court, Nebraska would like to correct the record by introducing evidence that, it hopes, will remove at least a bit of the prejudice that seems to be coming from the jury deciding who is No. 1 in college football.

Yes, it's true the Cornhuskers have lost their last six bowl games, and all but one by at least 13 points. But... "They're the lower-ranked team in every game, and each of the six teams that beat them finished no lower than second in at least one of the final polls."

"Bo Schenckler lost something like 12 of the 17 bowls he was in, and Bear Bryant lost eight straight at first," said Nebraska's coach, Tom Osborne. "I've never felt either of them was inept."

And what does that have to do with 1993? "The fact that everybody — other than Osborne's coaching peers —



As the Stealers' Darran Perry grabbed air, Jon Vanagin flew by for an eight-yard gain. The Seahawks ran for 267 against the NFL's No. 1 rushing defense and won, 16-6. Vanagin gained 131 yards.

tends to dismiss the unbeaten Cornhuskers — ranked No. 2 — as a bunch of stumblefooted dust grabbers literally out of their league against anyone outside the Big Eight. One Las Vegas handicapper even said that at least 10 teams are better than Nebraska.

Well, Nebraska's schedule was ranked the 25th toughest in the country by the National Collegiate Athletic Association, and the schedules of six other Big Eight teams were among the top 35. Included among the Cornhuskers' victims were: No. 14 UCLA and No. 17 Colorado on the road, plus No. 20 Kansas State and No. 19 Oklahoma at home, the latter in front of the 195th consecutive sell-out at Memorial Stadium.

"Our first-team defense only gave up three passing touchdowns all year," said junior cornerback Barron Miles. "We shut (UCLA's) J.J. Stokes and (Colorado's) Charles Johnson off — and they're all-Americans."

But what about that 21-20 break late in the season at 5-7 Kansas, whose coach, Glen Mason, had one of the most accurate place kickers in the country available but opted against a can-kick for a two-point play that failed?

"We got kinda lucky," said Donna Jones, the Cornhuskers' junior left outside linebacker. "We game-planned against him," said Tim Phillips, the tight ends coach at Kansas. "I'm sure other teams did the same thing — ran away from him. I'd imagine half the action each game was the other way — and he still was their leading tackler" by whopping 17 over Toby Wright.

That was 96 tackles and 15 quarterback sacks for Alberts, even though he dislocated his right elbow on the ninth play of the Oklahoma game.

"I thought him getting hurt so early might have been too much for the defense," Phillips said. "But everybody else picked it up a notch."

This is a team Osborne clearly likes, one that has five players (among them Alberts) working on their graduate degrees. Of the 29 seniors, 22 are on target to graduate by spring. And the quarterback, sophomore Tommie Frazier, might break the Nebraska career total-offense record with several games to spare.

Nebraska and Florida State had Kansas as a common opponent this season, and the Jayhawks' Phillips thought the Seminoles were vastly superior, saying: "Across the board, that's the best team I've seen in the six years I've been here. But Nebraska" — which at times uses as many as four 300-pounders on the offensive line — "has the ability to run against Florida State, like Notre Dame did."

Looking back at the season, 300-pound blocker Brendan Stortz said: "We're different because we hold on in each other. We've held on in games where last year's team probably wouldn't have." —KEN DENLINGER

## The NFL's Playoff Race: 9 Teams Home, 3 to Go

Compiled by Our Staff From Dispatches

NEW YORK — A grand old team, the Green Bay Packers, has won a place in the National Football League's playoffs for the first time in 11 years, joining the Detroit Lions and Denver Broncos, who also made it on the next-to-last weekend of the regular season.

But it may come down to the midnight hour of Monday night football next week — the last ticks of the clock of a 16-game schedule spread over 18 weeks — to determine who else is in.

Of the NFL's 12 playoff spots — 6 for division winners and 6 for wild cards — nine teams are in, with the New York Giants, the Dallas Cowboys, the Houston Oilers and the San Francisco 49ers having previously made it.

In all, eight teams remain alive for the final three positions. Of the league's 28 teams, 42 percent now make the playoffs.

Even the 7-8 Philadelphia Eagles, who, deemed done for earlier in the season when Randall Cunningham was lost for the year, could shock their way in next Monday night, when they play at San Francisco.

Five NFC playoff berths have been decided, but it figured that the muddled NFC Central — which had four teams in contention for first place with two weeks remaining — would be without a crowned champion heading into the final week of the season.

However, Green Bay and Detroit simplified matters by winning Sunday, ensuring one of them the division title and the other a wild-card spot.

The title will be settled next Sunday at the Pontiac Silverdome. "We're all excited to be playing a game that's about winning the division. That's our whole season, down to beating the Packers," said the Lions' quarterback, Erik Kramer.

While the Packers made the playoffs in 1982, purists might look back to 1972 as the last time the Pack made the postseason parade in a normal season. In 1982, the Packers played only 9 games in the strike season.

The Pack also guaranteed itself consecutive winning seasons for the first time since 1966-67, when the coach was named Lombardi and they won the first two Super Bowls.

The East champion will be also determined next Sunday, when the Cowboys visit the Giants.

The Giants didn't lose any ground by being upset by the Phoenix Cardinals while the defending Super Bowl champion Cowboys were rumpousing over the Washington Redskins. Whoever wins the game at Giants Stadium will capture the NFC East Division and enjoy the home-field run throughout the playoffs.

The losing team will be a wild-card host the following week against either Philadelphia, New Orleans, Green Bay, Detroit or Minnesota.

San Francisco already had won the West before Saturday's loss to Houston, the AFC Central champion. Minnesota can grab the final NFC spot by winning Friday in Washington. The Vikings are 8-7 and eliminated the possibility of a 7-9 team making the NFC playoffs when they beat Kansas City on Sunday night. The victory also knocked Chicago out of the race.

The Chiefs were handed the AFC West crown earlier in the day when both the Los Angeles Raiders and the Denver Broncos lost. Denver, which fell to Tampa Bay, still secured a wild-card berth because

the New York Jets and the Pittsburgh Steelers also were beaten. Buffalo (11-4) took the AFC East by edging the New York Jets, who barely clung to postseason aspirations. The Bills gained the division championship for the fifth time in six years; four of those titles were clinched against the Jets.

Philadelphia beat New Orleans as both teams barely stayed in the wild-card race. Miami, which was playing San Diego on Monday night, would clinch an AFC wild-card berth with a victory. A loss would set up a last-weekend melee involving the Dolphins, Jets, Steelers and Raiders for a wild card.

Atlanta was eliminated from contention by losing to Cincinnati a week after being upset by the Redskins. (NYT, AP)

## Vikings, McMahon Beat Chiefs by 20

Compiled by Our Staff From Dispatches

The Minnesota Vikings desperately needed a victory and played like it. Kansas City had much less at stake and it showed.

Jim McMahon outgained fellow old-timer Joe Montana on Sunday night, as Vikings improved their playoff chances with a 30-10 victory over the visiting Chiefs, who earlier had clinched their first AFC West title since 1971.

McMahon, 34, threw two TD passes to Cris Carter for the second straight game as he was 17 of 25 for 219 yards.

Scottie Graham, out of football three months ago, gained 166 yards and tied a team record with 33 carries. The previous week, against Green Bay, he rushed for 139 yards in 30 tries.

Montana, 37, rarely bugged the NFL's second-ranked defense. He was 17-for-24 for 121 yards and intercepted twice as the Chiefs gained just 37 yards to 205 by Minnesota.

Cowboys 38, Redskins 3: Troy Aikman threw two touchdown passes while Smith regained the NFL rushing lead and scored a touchdown in Dallas.

Aikman was 16 of 20 passing for 193 yards. Smith, the NFL rushing leader the last two seasons, ran 21 times for 153 yards, and now has 1,318 yards to 1,283 for Jerome Bettis of the Los Angeles Rams.

Cardinals 17, Giants 6: Brad Davis kicked a game-winning 54-yard field goal and Ron Moore got 110 of his 135 rushing yards and scored twice in the second half as Phoenix ended visiting New York's six-game winning streak.

The Cardinals gained 248 yards in the second half while holding the Giants to 69 yards. Buccaneers 17, Broncos 10: Craig Erickson threw for two scores against host Denver, which lost three fumbles and leading rusher Rod Bernstein, who dislocated his right shoulder.

Seahawks 16, Steelers 6: Seattle, playing at home, ended a four-game losing streak as Jon Vaughn, who had only six carries this season, replaced 1,000-yard rusher Chris Warren and had a career-best 131 yards. The Seahawks ran for 267 against the NFL's No. 1 rushing defense.

Browns 42, Rams 14: Vinny Testaverde set an NFL completion percentage record for one game, going 21 for 23 against the league's worst secondary, as Cleveland won before a crowd of 34,155, the smallest for a crowd since the Rams moved to Anaheim from the L.A. Coliseum in 1980.

Testaverde threw for 216 yards and two scores to Keenan McCardell, and one of his two interceptions was intercepted by Cincinnati.

He completed his final 13 throws, and his completion percentage of 91.3 topped the record, based on at least 20 passes, of 90.91 (20 of 22) set by Ken Anderson of Cincinnati on Nov. 10, 1974.

In earlier games, reported in some Monday editions: Eagles 37, Saints 26: Eric Allen tied an NFL season record of four interception returns for touchdowns by getting returns of 33 and 25 yards against slumping New Orleans in Philadelphia.

Bengals 21, Falcons 17: Cincinnati, at home, got three touchdowns passes from David Klingler, the winner, a 6-yarder to Carl Pickens, coming with one minute left after a 70-yard drive against Atlanta.

Bills 16, Jets 14: In the coldest game in Buffalo history — a steady breeze put the wind chill factor at 28-below — Steve Christie kicked three field goals and New York's Cary Blanchard missed three.

Packers 28, Raiders 0: Green Bay got eight sacks — 2½ each by Reggie White, John Jurkovic and Tony Bennett — and Sterling Sharpe became the first player with consecutive 100-touch seasons.

Sharpe, who set an NFL record with 108 catches last season, caught seven, one for a 23-yard TD.

The kickoff temperature was zero, the second-coldest in the history of Lambeau Field, and the wind chill was minus 22 degrees, the coldest in the history of the fabled stadium.

Raiders lost quarterback Jeff Hosteler to a concussion in the third quarter. Lions 20, Bears 14: Eric Kramer was 23 for 31 for 223 yards and two touchdowns, hitting six for 47 yards Detroit's winning TD drive in the fourth quarter. Eric Lynn, filling in for injured Barry Sanders, had 131 total yards as the Lions won in Chicago for just the second time in the last 10 games. (AP, UPI)

## SCOREBOARD

### BASKETBALL

#### NBA Standings

EASTERN CONFERENCE			
Atlantic Division	W	L	Pct
New York	17	4	.810
Orlando	11	10	.524
Atlanta	10	11	.476
Charlotte	10	11	.476
Washington	7	15	.317

WESTERN CONFERENCE			
Pacific Division	W	L	Pct
Seattle	19	5	.792
Phoenix	15	9	.620
Portland	14	10	.583
Los Angeles	10	14	.417
Sacramento	9	15	.375

SUNDAY'S RESULTS			
Atlanta	29	29	34-38
Charlotte	19	29	34-38
LA Lakers	104	94	104-94
LA Clippers	104	94	104-94
LA Kings	104	94	104-94

### HOCKEY

#### NHL Standings

EASTERN CONFERENCE			
Atlantic Division	W	L	T
New York	28	12	4
Philadelphia	28	12	4
Pittsburgh	28	12	4
Washington	28	12	4

WESTERN CONFERENCE			
Central Division	W	L	T
St. Louis	21	11	8
Chicago	18	12	8
Minnesota	17	13	8
San Jose	17	13	8

SUNDAY'S RESULTS			
Atlanta	2	1	1
Buffalo	2	1	1
Calgary	2	1	1
Edmonton	2	1	1

### CRICKET

#### INTERNATIONAL

Match	W	L	T
India vs. Pakistan	1	0	1
West Indies vs. Sri Lanka	1	0	1

### FOOTBALL

#### NFL Standings

AMERICAN CONFERENCE			
AFC Central	W	L	T
Buffalo	11	4	3
Cincinnati	11	4	3
Cleveland	11	4	3
Pittsburgh	11	4	3

### SOCCER

#### ENGLISH PREMIER LEAGUE

Match	W	L	T
Manchester United vs. Liverpool	1	0	1
Chelsea vs. Arsenal	1	0	1

### TRANSACTIONS

#### BASKETBALL

Player	From	To
Jeff Hosteler	Raiders	Seahawks
Eric Lynn	Seahawks	Lions

#### FOOTBALL

Player	From	To
Jon Vaughn	Seahawks	Lions
Eric Kramer	Lions	Seahawks

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ART BUCHWALD

Honor on the Campus

WASHINGTON — The news from Cambridge, Massachusetts, is that 83 percent of all the undergraduates at MIT cheated at least once in their college careers.

What puzzled me about the survey was not that 83 percent cheated — but that 17 percent didn't.

I went to the campus to talk to the non-cheaters. They were huddled off in a corner, and none of the cheaters would have anything to do with them.

How come you didn't cheat while you were in school? I asked David Moskowitz.

Jane Mitchell said, "You learn cheating from your parents. I came from a happy home, and there was nobody around who knew how to beat the system."

Fred Calabash said, "I once asked my father if winning was everything. He replied, 'No, it isn't. I figured that he didn't know what he was talking about so I ran away.'"

"It seems to me that you're blaming your parents for not cheating. Can't you put some of the responsibility on yourself? Let's say your folks refused to teach you how to lie, cheat and steal. Why didn't you go to your friends?"

Zelda Claghorn said, "That's easy for you to say. But I was afraid of getting caught."

"What's to be afraid of? Everyone in the country cheats. Defense contractors cheat, congressmen cheat, bankers cheat, the White House cheats, and people driving leased automobiles cheat. The purpose of college is to teach you that cheating is a way of life in the United States. You people better start doing it right away if you hope to survive in a capitalist society."

David Moskowitz was adamant, "I've never plagiarized anything in my life."

"It's not too late to start now," I yelled at him.

"What about the honor code?" Carisa asked.

"It's a good thing as long as no one is found out. But if you're brought up on charges it breaks up fraternity houses."

Redfern said, "I know some people who were honest and still finished school."

"And I know people who walked on the moon. The question is, 'How many?'"

"Do you think that cheaters should be punished?" Margot asked.

"I'm not sure," I replied. "I asked the dean if cheating is the worst thing that a student could do, and she replied, 'No. Attempting to park in the faculty parking lot without a sticker is a lot worse.'"

"Cheating is rampant on all campuses," Miller said. "MIT is just the tip of the iceberg."

"MIT is a good school," I assured him. "Their exams are very difficult. You have to do everything you can to pass."

"Do you think that they'll kick you out of school for not cheating?" one of the students asked me.

"They'll probably give you a warning first. If you continue not cheating, they will be forced to take action."

Blanford said, "I wish I had my academic life to live over again."

"Why?" I wanted to know.

"I'd put all my math test answers on my French cuffs."

Whoa! How Actors Earn Their Spurs

By Joel Engel

LOS ANGELES — Halfway into Walter Hill's "Geronimo," a cavalry officer named Lieutenant Charles Gatewood (played by Jason Patric), is challenged to a duel on horseback by an angry Apache. The Indian, firing his gun wildly, charges toward him.

The lieutenant sits impassively for a while, then yanks his horse's head to the side, apparently causing the animal to fall. Now, with a big horse to lie behind, he returns fire. The battle won, he kicks the horse to his feet and — somehow — gets on in the process.

Patric, not a stunt double, performs the breathtaking maneuver. So one might assume that the actor was an experienced horseman.

"He didn't know how to ride," says Rudy Ugliand, who, as the film's head wrangler, was responsible for the horseback sequences. Patric learned his skills at Ugliand's ranch north of Los Angeles, where the wrangler keeps up to 80 horses for movie productions.

Ugliand, who is 55, says there were about 700 wranglers in the business when he began riding in television westerns in 1956. "Every television show was a western," he says. "Now there may be 35 active wranglers making a living."

Their fortunes have turned upward since "Dances With Wolves" in 1990. That epic seems to have sparked a number of films — even television shows like "Dr. Quinn, Medicine Woman" — that require riding. In fact, anything set before the turn of the century may use wranglers. This year's horseback action has been played a part in "Somersby," "Much Ado About Nothing," "The Ballad of Little Jo," "Into the West" (a contemporary film set in Ireland), "Geronimo," "The Three Musketeers" and "Tombstone," among others.

Next year, with its bonanza of westerns, promises to be even more horse-packed. Ugliand has just finished work on the new version of "Maverick," starring Mel Gibson and James Garner. Jon Lovitz and Dana Carvey will ride in a comedy called "Tucson." Lovitz and Billy Crystal will make an appearance in "City Slickers 2."

Kevin Cosner will star in Lawrence Kasdan's "Wyatt Earp," coming next summer. Two movies detailing the life of Wild Bill Hickock are due. Rob Lowe plays Jesse James in "Frank and Jesse," now in production. Luke Perry will play a rodeo champion in "Lone Star," "Outlaws," with women in the saddle, has been filmed. "Bad Girls," billed as an all-female western, is scheduled for release in the spring. And Sharon Stone is now shooting "The Quick and the Dead," another western.

"These things are cyclical," Ugliand says of the gaggle of eaters. In nearly four decades of wrangling, Ugliand claims he's never met an actor he couldn't train to ride. Apparently, he never met Charlie Sheen.

In the recent "Three Musketeers," Sheen was called upon to look comfortable in the saddle. He was far from it, said the director, Steven Herek, describing a scene in which the four principals — Sheen, Kiefer Sutherland, Oliver Platt and Chris O'Donnell — ride off into the distance.

"Everything was great," Herek says. "Then, all of a sudden, we hear these expletives and 'Whoa, whoa, stop!' Immediately, we knew who it was."

Sheen had announced even before filming that he was phobic about horses; the horses in turn seemed unwilling to do what he wanted. Assistant wranglers had to catch Sheen, whose horse was running away with him. After that, he refused to repeat the scene, forcing Herek to use a stunt double.

"The Three Musketeers" was Herek's first experience with horses, and he found it both amusing and frustrating. The movie's Spanish mounts, which the director had been told were the finest, turned out to be too smart for their own good. They began galloping every time Herek yelled "Action!" Eventually, he had to substitute a word like "banana!" or use a hand gesture.

"Our biggest problem wasn't getting them to move," he says, "but getting them to stand still."

The Musketeers spent days honing their horsemanship, but Ugliand says neither Jack Nicholson nor Marlon Brando put in many hours on horseback preparing for a film he worked on nearly 20 years ago, "The Missouri Breaks." Instead, he said, when the time came they simply acted like great riders.

By contrast, "Jason Patric came out here every day for two months" and practiced on a quiet horse. Ugliand says, "Riding is balance and rhythm. He's a good athlete, so he learned quickly."

Seeing that Patric had mastered his first horse, Ugliand suggested one with more spirit and intelligence, a 6-year-old named Whiskey. "He's not one of my easier horses, but he's always alert, real responsive. Jason liked the looks of him and wanted to ride him in the movie."

Ugliand eventually showed Patric how to make Whiskey collapse to the ground, a trick he'd only recently taught the horse.

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"The Three Musketeers" was Herek's first experience with horses, and he found it both amusing and frustrating. The movie's Spanish mounts, which the director had been told were the finest, turned out to be too smart for their own good. They began galloping every time Herek yelled "Action!" Eventually, he had to substitute a word like "banana!" or use a hand gesture.

"Our biggest problem wasn't getting them to move," he says, "but getting them to stand still."

The Musketeers spent days honing their horsemanship, but Ugliand says neither Jack Nicholson nor Marlon Brando put in many hours on horseback preparing for a film he worked on nearly 20 years ago, "The Missouri Breaks." Instead, he said, when the time came they simply acted like great riders.

By contrast, "Jason Patric came out here every day for two months" and practiced on a quiet horse. Ugliand says, "Riding is balance and rhythm. He's a good athlete, so he learned quickly."

Seeing that Patric had mastered his first horse, Ugliand suggested one with more spirit and intelligence, a 6-year-old named Whiskey. "He's not one of my easier horses, but he's always alert, real responsive. Jason liked the looks of him and wanted to ride him in the movie."

Ugliand eventually showed Patric how to make Whiskey collapse to the ground, a trick he'd only recently taught the horse.



Andie MacDowell, left, and Drew Barrymore in a scene from "Bad Girls," and Kurt Russell in "Tombstone" — there will be a bonanza of westerns in 1994.

When Patric performed the maneuver for the director, the script was altered to include the scene.

It takes months to teach a horse to drop down, Ugliand says. The process begins with pulling their heads, then making them fall to one knee, then getting them to lie down and finally rolling them over. "As long as you don't hurt them, they don't mind," he said. The horse responds to a signal — a tug on a cable (hidden under the saddle) that is attached to the bridle.

The effect can be startling. In the 1989 film "Old Gringo," Jimmy Smits apparently shoots a horse out from under Gregory Peck. So convinced was the British Society for the Prevention of Cruelty to Animals that the horse had actually been killed that it banned Columbia Pictures from exhibiting the film in England.

Ugliand received a frantic call from the studio to confirm that he hadn't, in fact, shot the horse. Then the studio asked him to prove it — to an English representative of the society.

"She came out with a still camera," Ugliand recalls. He brought out Twister — the horse the society thought was dead. "I told her to snap the picture when I gave her the cue — she assured me she was a professional. Boom, down went Twister, just like he was shot. She never even pressed the button."

Twister lived to star in "Geronimo," too. In that movie, Robert Duvall appears to take a tumble as Twister goes down, once again the victim of movie gunfire. Duvall's stunt double, Danny Costa, jokes that when the director yelled "Cut" the crew rushed in to insure that Twister had survived; only then did they check on him.

Joel Engel, whose biography of Gene Roddenberry, the creator of "Star Trek," will be published in the spring, wrote this for The New York Times.

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PEOPLE

Broadway to Broke: Actress Goes on Welfare

Melba Moore, the Tony-winning actress and singer, has gone on public assistance in New York City, impoverished, she says, by her manager and former husband of 15 years, Charles Huggins. "I went on public assistance about three weeks ago, to make sure that I could get my back rent of two months paid," said Moore, who lives in a \$1,400-a-month apartment in New York with her daughter. "My husband embezzled all our marital assets, conservatively \$15 million." One of Huggins' lawyers said Moore and Huggins had agreed to make no comment on the dispute. Moore does not deny that, "but my only recourse is to speak out," she said.

Who's who in 1993: The 81-year-old Abbe Pierre, a priest and leading campaigner for the rights of the homeless, was France's man of the year in 1993, according to an opinion poll published Monday in the daily Le Parisien. ... With the pop hit "Jurassic Park" and the saga "Schindler's List," the film director Steven Spielberg was the entertainer of the year, according to Entertainment Weekly magazine. ... At 48, Neil Young could be the father of many rockers, but Spin magazine has named him artist of the year.

Who's who in 1994? Johnny Carson is working with some of his former "Tonight Show" writers to develop a prime-time special featuring Johnny and the Mighty Carson Art Players, according to TV Guide, which quotes former sidekick Ed McMahon as saying, "Johnny will be back in 1994."

Brighton Bardot is upset that a hotel in Tahiti plans to fill an aquarium with dolphins, but the French government says it can't do anything about it. Bardot, who now runs a foundation in her name to defend animal rights, asked Michel Barnier, the environment minister, to prohibit the capture of the dolphins. But mainland French laws on animal protection do not apply to overseas territories.

INTERNATIONAL CLASSIFIED Appears on Page 6.

Hollywood's Year Ends on Low Note

United Press International

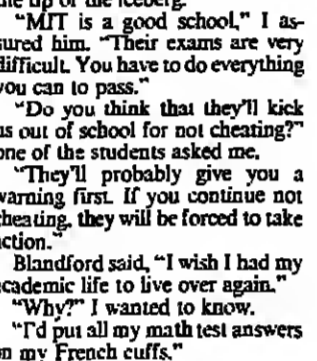
LOS ANGELES — Hollywood studios, lacking a holiday megahit, ended the year with a sense of pessimism.

Though the year's box office receipts will top the \$5.03 billion record set in 1989, it will be far short of the \$5.3 billion total some had expected.

This winter saw only one real hit, Columbia's "Groundhog Day," after a sizzling summer, the best on record. Five films topped \$100 million and "Jurassic Park" became a cultural phenomenon with domestic grosses topping \$335 million and overseas hitting \$300 million.

Weather

Forecast for Wednesday through Friday, as provided by Accu-Weather.



ACROSS

- 1 They're plucked
6 Busy as —
10 Lake formed by Hoover Dam
14 Bye
15 Druid, e.g.
16 Presque —, Me.
17 Close behind
20 Chair plan
21 Setter or retriever
22 "Fables In Slang" author

DOWN

- 4 Like many textbook publishers
9 Adjective for Rome
10 Cellar growth
11 Old gas brand
12 Sloggy film
13 Excellent, in slang
14 Cry of achievement
19 Ancient capital of Macedonian kings
23 Cortiganda
25 June in Hollywood
26 Sister of Thalia
27 Aile
28 Sock
29 Outline water
30 Srambo
31 Lip-puckering
32 Hair-coloring solution
33 — at Magistra (1961)
34 Drudge
35 Daily bar order
36 Ota's "oh!"
37 English channel, with "the"
38 Bluefin

CROSSWORD

New York Times Edited by Will Shortz.

Crossword puzzle grid with clues for Across and Down.

Table with columns for Europe, Asia, Africa, North America, Latin America, Middle East, and Oceania, listing cities and weather forecasts.

AT&T advertisement for international calling services, including 'Travel in a world without borders, time zones or language barriers' and 'AT&T Access Numbers'.

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